



“Exploring the Tshwane – Kungwini municipal amalgamation process”

By

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A research report submitted to the School of Architecture and Planning, University of the Witwatersrand, in partial completion of the requirements of the master’s degree in development planning.

Declaration

I, Unathi Kabale, hereby declare that this research paper is submitted by me and is based on actual and original work carried out by myself. Any reference to work done by any other person or institution or any material obtained from other sources have been duly cited and referenced. I further certify that this research paper has not been published or submitted for publication anywhere else.



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(Signature of candidate)

Signed on the 16 day of October 2020

Abstract

A significant debate on municipal amalgamations involves whether big consolidated governments are better than smaller ones. In this debate, some argue that consolidation is a useful instrument for achieving economies of scale and distributing resources equitably. The debate mainly captures two contrasting views. One side views big councils to be more capable of distributing services at economies of scale more equitably and responsively. In contrast, it is believed that smaller councils are more responsive to local issues and are more competitive with their counterpart municipalities. This debate mainly consists of arguments on efficiency, equity and democracy. This report adds to the already existing work on amalgamations by exploring them in a post-apartheid South African context. It aims to understand why amalgamations are needed, how they work and whether they are useful tools for addressing local government problems. The report examines the amalgamation issue in the case of the 2011 City of Tshwane amalgamation with the former Kungwini local municipality. The methods for carrying out this report include the review of international and South African debates on amalgamations. The report also uses secondary data sources such as national and local government documents. In addition, it draws from key informant interviews conducted with informants from the Municipal Demarcation Board, national and local government. The report finds that the amalgamation occurred as a result of a pursuit towards city regions in Gauteng and the removal of district municipalities. Furthermore, local government problems were identified in Kungwini, which further influenced the amalgamation to be conducted. The report finds that the benefits of this amalgamation were partial in that, some problems were addressed, however, others related to service delivery still remain. The problems addressed include poor debt and revenue collection, inadequate standard of policies, financial mismanagement, budget deficits and a lack of operational systems such as geographic information systems. The incorporation allows Tshwane to eliminate these problems by offering better services and having stronger systems put in place. One major shortcoming of this amalgamation however, is the high associated costs for the merger which involves the absorption of debts from Kungwini and along with its service backlogs.

Keywords: Municipal amalgamations; Equity; Efficiency;

Acknowledgements

The financial assistance of the National Research Foundation (NRF) towards this research is hereby acknowledged. Opinions expressed and conclusions arrived at, are those of the author and are not necessarily to be attributed to the NRF. I express great gratitude for this support as it helped fund my master's degree and this research report thereof.

I would like to extend my warmest appreciation to Prof. Alison Todes for guiding me through the journey of this report once again. Her undying support and patience have been very helpful to my progress. She has provided me with the best assistance and invaluable guidance throughout this research. Her vision, understanding and knowledge of my research topic deeply inspired me to work hard to meet her expectations of me. It has been a great privilege to work with her on both my honours research report and my masters report.

I would also like to express my thankfulness to Prof. Aly Karam for the support, friendship and mentorship. His patience in providing help even when loaded with other students to supervise is duly noted and appreciated. I am very thankful for urging me to take on the master's degree in Development Planning.

My thanks go out to my friends, Maredi Mojaelo, Luther Mzingaye and Matome Sekwatlakwatla for the motivation and support. It has been great travelling this journey with all of you.

No words can sufficiently express my gratitude towards my parents. For urging me to take on a masters' degree and doing all you can to provide me the support I needed to complete it.

Lastly, I would like to thank God for making it possible for me to undertake this research report.

I can do all things through Christ who strengthens me – Philippians 4:13

Table of Contents

Abbreviations	7
List of Figures.....	8
List of Tables	8
Chapter one – An introduction to the study.....	10
1.1 Introduction	10
1.2 History of Apartheid Local Government.....	13
1.3 Transitional Local Government.....	15
1.3.1 Metropolitan Municipalities	19
1.3.2 Local and District Municipalities	19
1.3.3 Cross-Boundary Municipalities	20
1.4 Municipal amalgamation in South Africa	21
1.5 Research topic and rationale	24
1.6 Main research question	26
1.6.1 Sub-questions	27
1.7 Statement of objectives and expected findings.....	27
1.8 Locating the research	28
1.9 Research methods.....	28
1.9.1 Type of research and overview	28
1.9.2 Data analysis.....	30
1.9.3 Information and Data collection	30
1.10 Ethical Considerations.....	32
1.11 Chapter outline.....	33
1.12 Conclusion	34
Chapter two - Understanding the international debate on municipal amalgamation.....	35
2.1 Introduction.....	35
2.2 Municipal Amalgamations	36
2.2.1 Theoretical Background.....	38
2.2.2 The Consequences of Amalgamations: Economic, Management and Democratic implications	49
2.3 Conceptual Framework	54
2.4 Conclusions.....	55
Chapter three - The local government context of City of Tshwane and Kungwini.....	56

3.1 Introduction	56
3.2 Local government capacity	56
3.3 Context	59
3.3.1 Kungwini local municipality (KLM)	59
3.3.2 City of Tshwane metropolitan municipality	70
3.4 Conclusion	81
Chapter four - Unravelling the logics of amalgamations	82
4.1 Introduction	82
4.2 Section one: Findings	82
4.2.1 What is municipal amalgamation in South Africa and how is it beneficial for municipalities?	82
4.2.2 Why was Kungwini amalgamated into Tshwane and what problems were identified?	86
4.2.3 Why was it expected that the amalgamation would fix these problems?	89
4.2.4 Has the amalgamation process solved these problems?	90
4.2.5 Is the same administration still running the Kungwini area and how is it performing now? 92	
4.2.6 Were there any problems or oppositions that may have emerged after the amalgamation?	93
4.2.7 What benefits did the amalgamation bring for Tshwane?	95
4.2.8 What impacts did the amalgamation have on planning?	96
4.3 Section two: Analysis	97
4.3.1 Benefits of amalgamations	97
4.3.2 Problems identified in Kungwini	99
4.3.3 Has the amalgamation helped solve the problems and why was it expected to solve the problems?	100
4.4 Conclusion	103
Chapter five - Reflections and Conclusion	104
5.1 Introduction	104
5.2 Research question	105
5.2.1 Sub – questions	106
6. References	112
7. Appendices	123

Abbreviations

ANC – African National Congress

COT – City of Tshwane

COGTA – Cooperative Governance and Traditional Affairs

DBSA – Development Bank of Southern Africa

FFC – Financial and Fiscal Commission

GCR – Gauteng City Region

GCRO – Gauteng City Region Organisation

GDP – Gross Domestic Product

GIS – Geographic Information Systems

GTA – Greater Toronto Area

GVA – Growth Value Added

HRSC – Human Sciences Research Council

IDP – Integrated Development Plan

KLM – Kungwini Local Municipality

LGTA – Local Government Transition Act

MDB – Municipal Demarcation Board

MDM – Metsweding District Municipality

MEC – Member of the Executive Council

NTLM – Nokeng tsa Taemane Local Municipality

TMCs – Transitional Local Councils

WWTP – Waste-Water Treatment Plants

SAHRC – South African Human Rights Commission

List of Figures

Figure 1: Servicing delivery protest in Ekangala	23
Figure 2: City of Tshwane and former Kungwini local municipality location	24
Figure 3: Conceptual framework depicting apparent benefits of municipal amalgamations or retaining of smaller municipalities	49
Figure 4: Kungwini situational map	55
Figure 5: Kungwini's geographical location within a provincial context	55
Figure 1 Gender employment status in Kungwini	57
Figure 7: Level of education within economically active group	61
Figure 8: City of Tshwane location map	66

List of Tables

Table 1: Informant description and organization	29
Table 2: Population of former Kungwini local municipality	56
Table 3: Population group figures for Kungwini local municipality	56
Table 4: Occupation types in Kungwini	57
Table 5: Income categories	58
Table 6: Economic sector share	59
Table 7: Housing typology in Kungwini	62
Table 8: Household access to water in Kungwini	63
Table 9: Household access to sanitation	64
Table 10: Total population by regions COT	68
Table 11: Population group, age and gender	68
Table 12: City of Tshwane's total employment	69
Table 13: Total employment by economic sector	70
Table 14: Formal and informal sector employment	70
Table 15: Education levels in COT	71
Table 16: Literacy levels in COT	71
Table 17: Types of dwelling by region	72
Table 18: Electricity by region	73
Table 19: Revenue by source in Tshwane	74
Table 20: Expenditure by type in Tshwane	75
Table 21: Revenue by source in Kungwini	76
Table 22: Expenditure and revenue by type in Kungwini	76

Table 23: Rates base	77
Table 24: Costs of the Tshwane-Kungwini merger	89
Table 25: Additional costs to the Tshwane merger	89
Table 26: Summary of operating costs by category in City of Tshwane	93
Table 27: Closed responses to the benefits of amalgamation	96

Chapter one – An introduction to the study

1.1 Introduction

The establishment of a new democratic state of South Africa from 1994 involved the transformation of a system of local government to one which could meet the needs of a non-racial country. Due to the apartheid government policies, the country had inherited a fragmented system of local government (Thornhill, 2008). The system of local government was heterogeneous, racialised and unequal. The transformation of apartheid government to a democratic government required extensive political choices, administrative restructuring and a reconsideration of the role of the local government sphere in the new political dispensation (Thornhill, 2008). It was believed that local government should be a platform where democracy is played out to fulfil demands such as the 'one city' government where all citizens are served socially and economically. This reconsideration provided a platform for a debate around suitable structures of bigger metropolitan government. The debate concerned whether a single or a dual-level approach to metropolitan government was most appropriate (Mabin, 2006).

South African local government is currently divided into three types of municipalities – category A, B and C which are called the metropolitan, district and local municipalities respectively. Each of these have different executive and legislative authority for governing areas under their jurisdictions as required by the 1996 Constitution of the Republic of South Africa (Cameron, 2006). Often these municipalities will have different tax bases and capacities which affect their level of performance and competence. These disparities have meant that some municipalities are much better than others especially in terms of service delivery and administration.

The Cooperative Governance and Traditional Affairs (COGTA) (2011) assessment of local government mentioned some of the challenges encountered by municipalities which include, amongst many, significant gaps in the relevant qualifications and skills of staff members, static staffing levels, decline in the provision of basic services and weak performance management. According to the Financial and Fiscal Commission (FFC) (2012), well-functioning municipalities are defined as municipalities that can perform their functions, complete work on time and subsequently achieve their set goals, as defined in the South African Constitution. However, there has been a case of weak municipalities fraught with poor performance standards and major capacity constraints. For South Africa, this has sparked some debates amongst academics, researchers and others involved in the field of governance who question whether it is viable for a country to have such a large number of municipalities. As a result, some of the solutions proposed have been around the idea of consolidating to form larger municipalities.

The consolidation process of the year 2000 resulted in bigger unitary local authorities with more resources and power (Todes, 2014). An example of this would be the City of Johannesburg metropolitan municipality or the City of Tshwane (COT) metropolitan municipality where the two-tier system of local and metropolitan municipalities was consolidated into single metropolitan authorities. In an international context, Dollery and Crase (2004) argue that there is an enduring belief that 'bigger is better' in local government. This is underpinned by the argument that larger municipalities have stronger administration and performance compared to small municipalities (Dollery and Crase, 2004). It is also believed that big municipalities allow greater employment of high skills which cannot be readily acquired in small municipalities (Dollery and Crase, 2004). Municipal consolidations have occurred in a number of countries internationally (such as Australia and Canada), as well as in South Africa. The influences on these reforms has mostly been related to arguments for bigger municipalities, but in South Africa, the ideology slightly varies to include issues of capacity and equity.

After the amalgamations of the year 2000, there have been more amalgamations which have happened, most recently in 2016. This report will focus on the 2011 consolidation case between City of Tshwane and Kungwini local municipality. With several rounds of amalgamations which occurred in South Africa, there have been different types of structures which have been formed, for various reasons. It is for this reason that the research report explores amalgamations. The report looks at how amalgamation works and what expectations and arguments are associated with them. This is done by reviewing the international and South African literature. The report focuses on the Tshwane-Kungwini amalgamation case in particular, to see for what specific reasons it was carried out and whether it solved the local government problems which were identified. This chapter is structured to provide the introduction on South African local government. It begins by detailing out the history of apartheid local government, followed by the transition to a democratic local government and ending with the research questions, research methods and ethical considerations.

The removal of apartheid doctrines together with fragmented government forms a big part of local government reorganization. Local government reorganization involves amalgamations or demarcations which for a long time have been regarded as significant tools to ensure the establishment of an integrated country. This chapter includes a section of the history of apartheid local government which narrates the way it functioned and how it was structured. The subsequent section presents the transitional phase of local government where local government reorganization manifests as a means to break away from an apartheid form of government.

1.2 History of Apartheid Local Government

A significant point of departure for unravelling the history of local government in South Africa is 1910 when South Africa became a Union in terms of the South African Act of 1909 (Cameron, 1995), and a structured government comprising a three-tiered unitary system of government was set up. The first tier consisted of a parliament based on the Westminster system. The second tier consisted of four provinces and the last tier was the local government which consisted of local authorities. This tier was created by the provincial authorities. In the apartheid era, local government was primarily controlled by White local authorities (Bekker and Jeffery, 1989, cited in Maharaj, 1997). The most distinctive feature of local government was the prominence of racial division of powers which functioned concurrently with the geographical division of powers (Cameron, 1995). During the 1920s, successive governments imposed the policy of influx control, controlling the movement of non-Whites into cities (Cameron, 1995). It was further reinforced and extended following the election of the National Party into power in 1948.

Until the removal of the influx control policy in 1986, urban areas had been projected as White areas, with some areas reserved for Blacks, Indians and Coloureds (Van Donk and Pieterse, 2006). White local municipalities performed their functions as delegated to them by provincial legislation. They were single-tier, multi-purpose institutions with both executive and legislative powers (Cameron, 1995). Local government structures were designed strategically to produce an urban system which would be in concord with the policy objectives of national government (Swilling, 1991, cited in Van Donk and Pieterse, 2006). The fragmented local government established approximately $\pm 1\ 100$ local authorities in the country, which have since been reduced to 284 municipalities in the democratic South Africa (Municipal Demarcation Board (MDB), 2000, cited in Cameron, 2006; Thornhill, 2008).

The White local authorities followed a self-sufficient system whereby municipalities were to survive from self-generated revenue, although they sometimes received subsidies from national and provincial government (Cameron, 1991).

Other sources of revenue, in addition to subsidies were property rates, income from trading services (electricity, water and gas supply), service charges for amenities and loans (Cameron, 1991). White local authorities had control of the cities including areas which had been segregated for Blacks until the 1970s when the Bantu Administration Boards were established. The municipal matters which concerned the Indian and Coloured population were controlled by management committees. There were plans prepared to provide separate municipal structures for these groups from the early 1980s, but this only occurred in exceptional cases (Thornhill, 2008). Essentially, White authorities were supposed to reserve some revenue for these areas, but in the early years some exploitation of these poorer areas occurred.

In the mid-1980s, the government attempted to provide for Black areas through revenues from sorghum beer production, retailing, levies on White employers of Black labour in certain areas, rentals and fees, however, these were very limited to sustain townships which had been kept in a deliberate state of underdevelopment (Cameron, 1995). This led to a massive uprising against apartheid rule within Black areas (Kane-Berman, 1979; cited in Cameron, 1995).

Cameron (1995) writes that Administration Boards were generally not responsive to the demands of Blacks. It is this idea of regarding Blacks as temporary sojourners which led to the racial segregation and undermining of their demands (Welsh, 1982; cited in Cameron 1995). The failure of influx control and the crisis of Administration Boards led to the establishment of Black Local Authorities in 1982, however, these were rejected by civic organisations because they were perceived as substructures which supported the apartheid cause (Cameron, 1995). Black Local Authorities were also rejected because they lacked a proper financial base, they were understaffed, and did not have significant industrial and commercial industries to generate revenue (Van Donk and Pieterse, 2006). According to Thornhill (2008) black communities took a decision to boycott the payment of rates and taxes, therefore hastening the demise of Black Local Authorities. This showed that the municipalities were racially biased and could not function properly to provide sustainable municipal services equitably. This called for a reform of local government, a demand for a 'One city, one tax base' movement which would commence with the introduction of an interim phase, focusing specifically on the de-racializing of local government structures (Thornhill, 2008).

1.3 Transitional Local Government

The implications of the apartheid era are evidenced by the damage of its policies to the spatial, social and economic environments that people live in. The division of local government into smaller dispersed fragments, that is, 'fragmentation', was worsened by the racially based government which in turn led to the vast differences in the levels of public service provision between local governments (Cameron, 2006).

The democratization of local government combined with the establishment of amalgamated structures which incorporated local areas that were historically segregated was necessary for a democratic non-racial government (Pycroft, 1999). With metropolitan areas, the rationale was to integrate segregated areas to enable all areas to benefit from tax revenues generated in business and wealthier residential areas. The rationale was that people from marginalized areas also contribute to the wealth of metros through labour (Pycroft, 1999). For this to happen, a process of de-racialization and democratization was pursued through three phases which were governed by the Local Government Transition Act (LGTA) of 1993 (Pycroft, 1999).

In addition to the LGTA, the Demarcation Board was established in 1999 as a key instrument to achieving a democratic government through the demarcation of boundaries. The Demarcation Board is an independent board which was required by the 1996 Constitution of South Africa to be responsible for the demarcation of municipal boundaries (Cameron, 2006). It had the power to re-determine¹ boundaries and integrate fragmented areas. Boundaries have the ability to influence community access to local government services and in turn impact the livelihoods of communities (Cameron, 2006). The effect is that communities in poor areas placed in well capacitated municipalities have an opportunity to receive funds from richer areas through cross-subsidisation (Cameron, 2006).

¹ Determination refers to the South African definition of altering municipal boundaries. Similar to amalgamation, but more specific to changing boundaries and not just combining municipalities.

The first phase of transitional local government, the pre-interim phase, enabled local government negotiating forums (e.g. Johannesburg Central Witwatersrand Metropolitan Chamber) to establish pre-interim councils which incorporated communities that were previously excluded from local government (Pycroft, 1996, cited in Pycroft, 1999).

This phase covered the period after 1994 where the first national and provincial democratic elections were held until the first democratic local government elections which took place in 1995/96. The negotiated basis of the LGTA resulted in provincial governments assuming the major responsibility of local government transformation, which involved executing demarcations in preparation for the 1995 local government elections (Cameron, 2006). While there was an established Local Government Demarcation Board, their powers (at the time) were limited to advising the provincial Minister of Local Government on boundary and ward changes of local government jurisdictions. Its re-establishment in 1999, however, gave it full powers to carry out demarcations.

The demarcation process for the 1995/96 elections led to the creation of a two-tier system within metropolitan areas which consisted of Transitional Metropolitan Councils (TMCs) and Transitional Metropolitan Substructures (Metropolitan Local Councils). This was followed by the creation of stand-alone Transitional Local Councils (TLCs), district councils and primary local governments in rural areas. These interim structures were beneficial in that they helped form the basis for transitional local councils during the 1995/96 elections (Pycroft, 1996). During the demarcation process, the provincial boards had to consider certain statutory criteria which would help guide how they demarcate boundaries. Demarcating was based on topographical and physical characteristics of the area of focus, population distribution of the area, economy, functionality, efficiency and financial viability regarding the administration and rendering of services within the area of focus (Cameron, 1996). These criteria are similar to the factors determined by the MDB Act of 1998 which are exercised by the current MDB for redetermination of municipal boundaries.

The provincial boards' political objective was to re-determine apartheid boundaries to form single municipalities. However, the resulting outcome of the demarcation was irregular due to how decentralised the demarcation process was (Cameron, 2006). According to Cameron (2006) the demarcation process for the 1995 elections was uneven due to the dichotomies between competent and incompetent provincial boards and municipalities thus resulting in poorly designed boundaries.

Sutcliffe (1999) also noted that this demarcation process was politically motivated. For instance, there were some attempts at gerrymandering of local boundaries by provincial ministers, which would have advantaged their respective parties' electoral chances (Cameron, 1999). This resulted in irregular sizes of councils with disproportional number of voters (Sutcliffe, 1999). The integration of marginalized township areas with high levels of unemployment and poverty placed quite a huge financial burden on amalgamated municipalities. The most recurring problem was the share of poor people in each of the municipalities, which posed issues such as weak tax bases and low tax revenue which in turn impacted the delivery of services. Pycroft (1996) writes that the total income-generating capacity of amalgamated municipalities (relative to population size) had been further weakened by a 'culture' of non-payment of municipal services. This weakened the efforts put into creating a strong tax base and making financially viable democratic local councils. The interim phase was therefore defined by the first local government elections in 1995/6 which ended with the implementation of the final constitutional model of local government.

The final phase required an identification of the types of municipalities. These were determined by the final Constitution which was certified by the Constitutional Court in December 1996 but took partial effect in January 1997 (Cameron, 2006, citing Cameron, 1999 and Cloete, 1995). The final phase also required the demarcation of municipal boundaries and their wards, along with the demarcation legislation and the appointment of a new MDB.

This board would be the independent national board with powers enabling it to provide demarcations of the entire country.

As already mentioned, the determined types of municipalities were sorted into three categories – A, B and C, in preparation for the municipal election in 2000.

This A/B/C formulation result from a dispute around the fixed metropolitan, urban and rural structures that were established during the interim phase. The dispute arose from lack of differentiation between metropolitan and stand-alone urban areas. By using the A/B/C formulation therefore, it was assumed that it would provide greater flexibility in the demarcation of local government structures.

In the year 2000, the demarcation process led to the creation of six metropolitan municipalities, 231 local municipalities and 47 district municipalities. During this process, cross-border municipalities were created but later removed because they were difficult to manage. It was only after the year 2000 that South Africa had its first fully democratically elected municipal councils. The MDB continued to amalgamate municipalities in the year 2000, from 843 to 284 (Burger, 2001; cited in Koma, 2016), and then in 2011 to 278, and again in 2016 to 257, by de-establishing and amalgamating municipalities (Koma, 2016). The continued amalgamation processes are a result of COGTA's proposal to the MDB of merging municipalities with the hope of creating self-reliant and self-sufficient municipalities which in other terms relates to municipalities with minimum dependency on central government transfers (Khumalo and Ncube, 2016). There is still an existing view that the rationalisation and re-determination of municipal boundaries can yield results which would improve the living conditions of local communities, tax bases and local economies in order to create employment and ensure sustainable distribution of public services (Koma, 2016). Another important reason which also contributed to the Tshwane-Kungwini merger was the removal of cross-boundary municipalities.

1.3.1 Metropolitan Municipalities

In South Africa, metropolitan government only existed post 1994 with the establishment of a two-tier structure. However, those were replaced with single-tier structures since these were viewed as better instruments for redistributing resources and services. According to Cameron (2006) the White Paper on Local Government 1998 stated that metropolitan government created an environment for equitable and just metropolitan governance; it also provided for strategic land-use planning and the development of city-wide frameworks which can enhance the economic competitiveness of cities. The ANC was also drawn towards the idea of a single-tier metropolitan system in metropolitan areas and therefore argued that it was the best option for achieving these goals. This was because it believed in the idea that having a strong single-tier metropolitan government would make it possible for the poor to benefit from the tax base that would come out of it.

1.3.2 Local and District Municipalities

According to Cameron (2006), the White Paper argued that there had been a disconnection between urban and rural settlements. The demarcations that took place during the interim phase had not divided the settlements rationally since they did not factor in the linkages between urban and rural settlements. For instance, Cameron (2006) noted that urban areas depended on rural areas in their hinterlands for productive economic activity and they acted as centres for the delivery of social services to these areas. The local government Municipal Structures Act of 1998 took heed of these comments and made provision for two-tier local government systems in non-metropolitan areas. The upper-tier would be occupied by the district municipalities while the lower-tier was taken up the local municipalities. Essentially these two municipalities would share executive and legislative authority over the same area (Cameron, 2006). The main two responsibilities for district municipalities is first to redistribute resources within the district according to need and secondly, to assist local municipalities to provide services in a sustainable manner (Steytler, 2005).

1.3.3 Cross-Boundary Municipalities

As stated earlier by Sutcliffe (1999) and Cameron (1999b), the demarcations carried out by the provincial governments were uneven and biased. They consisted of poorly designed boundaries with irregular sized councils plagued by non-viability (Sutcliffe, 1999, cited in Cameron, 2006). The introduction of cross-boundary municipalities was intended to remedy the hastily drawn provincial boundaries that were put in place in 1994 (Cameron, 2006). The need for cross-boundary municipalities was provided by the Constitution which authorised their establishment. A study by the MDB discovered that some areas extended over provincial boundaries, leading the MDB to propose cross-boundary municipalities. An example of cross-boundary municipalities was the Kuruman-Mothibstad, Umzimkulu-Mount Currie, East Rand Metropolitan Area-Mpumalanga and Bushbuckridge-Kruger National Park (Cameron, 2006). These municipalities straddled over the following provinces: KwaZulu-Natal - Eastern Cape, Gauteng - Mpumalanga, Gauteng - North-West, Limpopo - Mpumalanga and North-West - Northern Cape. Tshwane also became a cross-boundary municipality because its boundaries included some areas which did not belong to the Gauteng province (Bannister and Sutcliffe, 2014). This was also the same case for Metsweding district which was a cross-boundary municipality.

The disputes over which province would be responsible for administering and providing financial support to cross-border municipalities created contention and made the process of managing cross-boundary municipalities difficult. This challenge of governance saw this initiative to be a failure, thus abolishing cross-boundary municipalities in 2005/6 (Bannister and Sutcliffe, 2014). All cross-boundary municipalities were consolidated into single municipalities, including Tshwane (Bannister and Sutcliffe, 2014). According to Bannister and Sutcliffe (2014), the continuous expansion of Tshwane led to talks concerning incorporating district municipalities into metros. Hence this Tshwane-Kungwini amalgamation was a result of the incorporation of the Metsweding district into Tshwane for more detailed reasons which are discussed further in this research report.

1.4 Municipal amalgamation in South Africa

In order for municipalities to provide services to their communities, they must have the financial viability, capacity and resources to do so. A municipality's main source of revenue comes from its own revenue and from intergovernmental fiscal transfers (Financial and Fiscal Commission, 2012). Self-raising revenue entails an array of fiscal instruments such as property rates, service charges for services rendered (water, electricity, garbage collection) and other local taxes (FFC, 2012). However, the dearth of revenue and resources may cripple a municipality and encumber its ability to perform its constitutional mandates. Intergovernmental fiscal transfers are important in providing financial aid to fund service delivery mandates for struggling municipalities. An example of a fiscal transfer is the local government equitable share which comes from national government (Steytler, 2005). Some municipalities still struggle to provide services regardless of this financial aid. It is in cases like these where municipal amalgamations are used to address local government problems in South Africa.

Khumalo and Ncube (2016) posited several questions which assess the extent to which municipal mergers can create financially viable municipalities and in turn eliminate dysfunctionality. Khumalo and Ncube (2016) question the ability of the proposed mergers to produce financially viable municipalities. They state that the concept of financial viability is quite broad and can be confused with economic viability and financial sustainability. According to empirical evidence, many South African municipalities which were proposed for mergers have limited economic activity and tax bases and thus will not be financially viable. For Khumalo and Ncube (2016), the concern here is caused by two reasons. Firstly, there is no any evidence that justifies a linkage between viability, functionality and municipal boundaries. Secondly, it is difficult to establish financial viability through amalgamations because viability is a concept which can be affected by various factors such as the economy and a council's administration (Khumalo and Ncube, 2016).

The FFC carried out an assessment of the impact of amalgamations on municipal fiscal performance in South Africa. This assessment was done in the year 2013 on the City of Tshwane municipality, further followed by other studies in 2016 such as the Mier – Khara Hais local municipality in the Northern Cape and the Mangaung metropolitan municipality amalgamated with the Naledi local municipality in Free State. These amalgamations were proposed by the Minister of COGTA to ensure financial viability and functionality. On this assessment, the FFC's conclusion was that the amalgamations were costly and had affected the financial sustainability of the affected municipalities (Khumalo and Ncube, 2016).

In the assessment, FFC identified many factors of cost drivers such as tax rates, services, consolidation of programmes, wages, salaries and administrative policies. Due to these factors, the FFC recommended that a profile showing the financial and fiscal implications of the boundary changes must be established and made publicly available before a decision to amalgamate any municipalities is made (Khumalo and Ncube, 2016). In addition, the FFC recommended that a transitional grant should be given to facilitate the restructuring process and minimize the effect of demarcation on municipal budgets (Khumalo and Ncube, 2016).

Khumalo and Ncube (2016) also provided some useful closing remarks and recommendations. According to their findings, amalgamations will not result in financially viable municipalities - instead, their situations may worsen (Khumalo and Ncube, 2016). They find that rural municipalities will continue to depend on transfers since their revenue bases are feeble. Khumalo and Ncube (2016) also mention that there is no set requirement for financial viability for all municipalities in the South African Constitution. The South African Constitution has made provisions for this gap by stating that municipalities can depend on financial support through intergovernmental transfers. The transfers are important to help address the imbalance between the revenue available to municipalities and the spending responsibilities assigned to them. The transfers can also help municipalities achieve national priorities.

Khumalo and Ncube (2016) suggested that the MDB should not prioritize the concept of financial viability as the core criterion for demarcation; it should instead regard it, equally important as the rest of the factors it considers before demarcating. The National Treasury and COGTA must find other ways of achieving financial viability in municipalities such as improving tax bases through economic development rather than amalgamations. Finally, National Treasury and COGTA must seek to rectify dysfunctionality through policy, legislation and capacity building measures, rather than through amalgamations (Khumalo and Ncube, 2016).

Gauteng City Regions (GCR)

Since the year 2000, the idea of pursuing more metropolitan governments in Gauteng has occurred in a number of debates and discussions aimed at establishing the notion of a Gauteng City Region (Bannister and Sutcliffe, 2014). The recent amalgamations of 2016 and 2011 form part of the rationale behind the concept of the Gauteng City Regions. According to Bannister and Sutcliffe (2014), this concept has three distinct periods in which steps were followed to realise it. The first period which forms the foundation of the GCR, occurred before 2005 when cities and provinces were consolidated. In this period, the Gauteng province and three metropolitan municipalities (Johannesburg, Ekurhuleni and Tshwane) had similar views of exploring the vision of GCR. In doing this, they began to develop long term strategic plans and visions focused on solving their internal challenges by the year 2030.

The second period, 2005 – 2008, defines a phase where tentative steps towards this vision were taken. These steps included the development of the Gauteng City Region Observatory (GCRO), It also included an embarkment of discussions around the institutional organization of the GCR (Bannister and Sutcliffe, 2014). This discussion involved the considered options and the comments of the Municipal Demarcation Board. For instance, the question of the Gauteng province being run by one metropolitan government was considered not feasible as the geographical size and the population of the metropolitan area would be unmanageable. The establishment of a Gauteng City State was considered as a possible long-term goal seen to position the province in a global platform.

The third period, post 2008, does not show many concrete steps towards a single strategic vision. Instead of leading to a creation of additional metropolitan municipalities, it led to the following boundary changes as suggested by the Member of the Executive Council:

- Johannesburg to include West Rand
- Ekurhuleni to include Sedibeng
- Tshwane to include Metsweding District

1.5 Research topic and rationale

This section of the chapter introduces what the research is about, including the necessary steps it follows to carry out the research. From a recent merger between City of Tshwane and the former Metsweding district, this report focuses specifically on the district's former Kungwini local municipality (KLM) – thereby calling it the Tshwane-Kungwini merger instead. This report is mainly exploratory, considering international and local literature on amalgamations in the light of the Tshwane-Kungwini merger. The conclusions made by Khumalo and Ncube (2016) refer to the misplaced link between the financial viability of municipalities and amalgamations and also the need for National Treasury and COGTA to find alternative options such as policy to mitigate dysfunctionality of municipalities. These conclusions are relevant for this research since part of the rationale to merge Tshwane and Kungwini is also based on financial viability and dysfunctionality.

Research topic – Exploring the Tshwane-Kungwini municipal amalgamation process

Since the 2011 Tshwane-Kungwini amalgamation, there has been a lot of social unrest in Tshwane due to service delivery backlogs (Mudzuli, 2014). The social unrest which occurred in the form of protests (figure 1) came from areas such as Zithobeni, Rethabiseng and Ekangala (within former KLM). The residents from these areas complained about the merger and the decrease in service delivery in their communities. The complaints alleged that service delivery was non-existent because the Tshwane metro was collecting taxes and resources to channel them to more affluent areas in the municipality (Mudzuli, 2014). Mudzuli (2014) writes that some protesters chanted, 'away with Tshwane, high billing, poor service delivery, give us back Metsweding and write off our bills.' This protest indicates that there was some opposition against the merger, which also signals that some challenges may have been experienced during and after the merger. Furthermore, this suggests that the amalgamation may have not been a completely successful one.



Figure 1: Servicing delivery protest in Ekangala (Source: Mudzuli, 2014)

Considering the above protest, the research further explores the Tshwane-Kungwini merger to learn why it was executed and whether it was useful to address the problems which were identified. As mentioned in the municipal cross-boundary section, the Tshwane-Kungwini merger was motivated by Tshwane's continuous expansion and removal of district municipalities. However, it can be expected that there are other underlying reasons which could be political or merely economic. Figure 2 depicts where the former Kungwini local municipality was located within the current Tshwane metro.

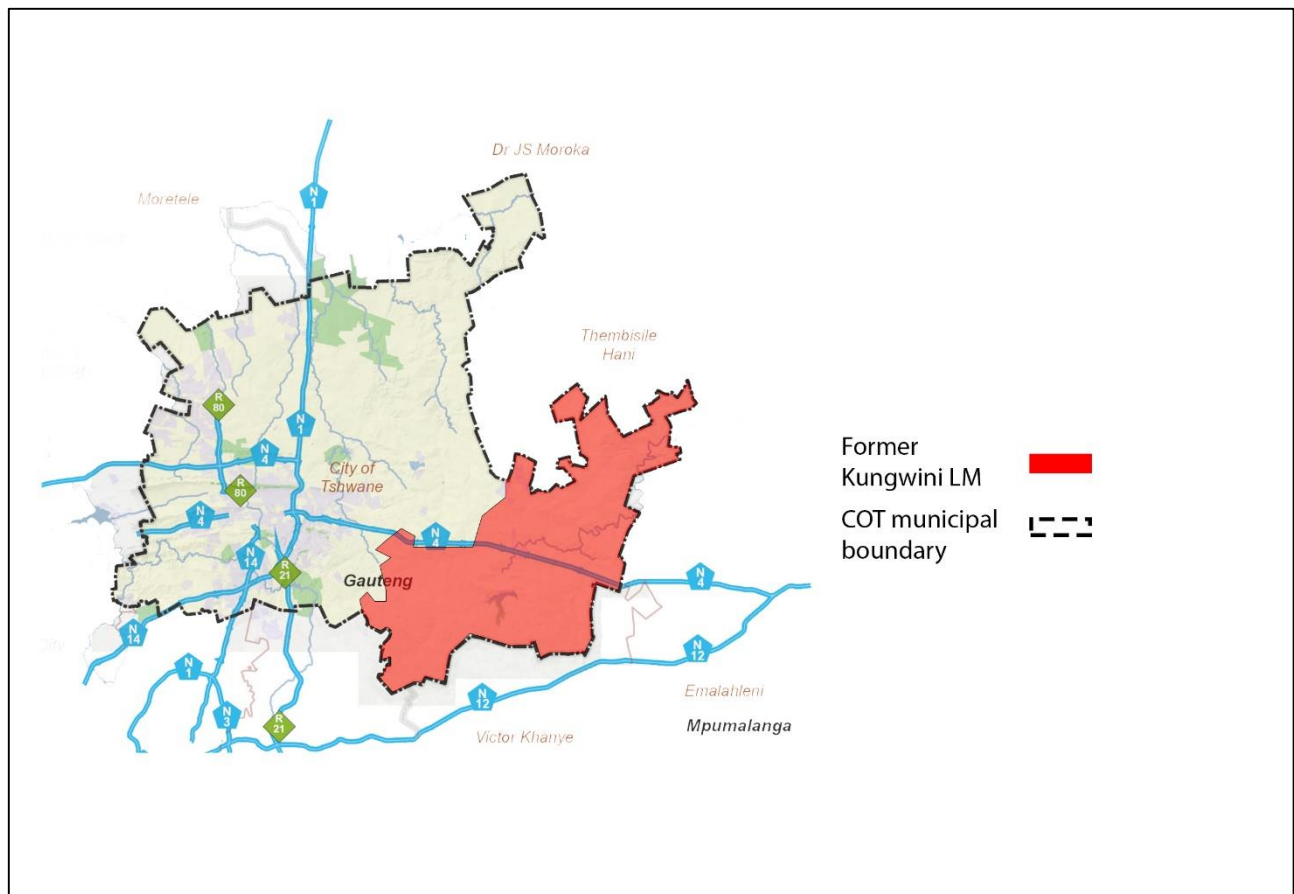


Figure 2: City of Tshwane and former Kungwini local municipality location

1.6 Main research question

How has the Tshwane – Kungwini amalgamation addressed the problems of local government in the former Kungwini local municipality?

1.6.1 Sub-questions

- What is municipal amalgamation in South Africa and how is it beneficial for municipalities?
- Why was Kungwini amalgamated into Tshwane and what problems were identified?
- Why was it expected that the amalgamation would resolve these problems?
- Has the amalgamation process resolved these problems?
- Is the same administration still running the Kungwini area and how is it performing now?
- Were there any problems or oppositions that emerged after the amalgamation?
- What benefits did the amalgamation bring for Tshwane?
- What impacts did the amalgamation have on planning?

1.7 Statement of objectives and expected findings

The research aims to explore Tshwane-Kungwini amalgamation to learn about why it was needed, how it was executed and also to explore if it addressed municipal problems. Based on a desktop study, I had anticipated that the Tshwane – Kungwini merger occurred because the KLM was underperforming in terms of service delivery and administration. My expectations are informed by the information provided by the KLM annual financial statement report of 2011 which shows that the municipality had accumulated a net deficit of approximately R587 237 432 in liabilities (KLM, 2011a). This is not shown in the Kungwini 2011 Reviewed Integrated Development Plan, however, their 2005 Annual Report stated that their net liabilities in 2006 were around R383 222 864 (KLM, 2005). Since the KLM financial statement report of 2011 reports a R587 237 423 in net liabilities this shows that these costs have continued to increase, which indicated that Kungwini was struggling to manage its finances. In addition, the desktop study also showed that KLM faced litigation charges which suggest that Tshwane had incurred lawsuit costs from Kungwini. I therefore expected that the merger could have been burdensome on Tshwane, and the success in addressing the problems of Kungwini would be partial.

1.8 Locating the research

The concept of municipal amalgamation has been debated over a long period of time. This report contributes to the already existing work on amalgamations, by exploring the Tshwane-Kungwini merger. In doing this, this report acknowledges the literature presenting the outcomes and arguments for and against amalgamations. In this array of literature, the report adds onto the body of exploratory work on amalgamations, to understand why amalgamations are needed, how they work and whether they are useful tools for addressing local government problems.

Some of the material that this report uses comes from international authors such as Tavares (2018), examining municipal amalgamations and their effects; Allan (2003) who focuses on why smaller councils make sense; Allers and van Ommeren (2016) who considers intermunicipal cooperation as an alternative to amalgamation; Askim, Bjurstrom, Klausen and Vabo (2004) who examine the causes of municipal reform; Bikker and Van der Linder (2016) who look at scale economies in local public administration; and Blesser and Baskaran (2016) who assess whether municipal mergers reduce costs. Existing South African work includes Cameron (2006), considering local government reorganization, and Khumalo and Ncube (2016), who examine whether proposed mergers are able to create financially viable municipalities.

1.9 Research methods

1.9.1 Type of research and overview

This research report follows a qualitative type of research since it is concerned with exploring the phenomenon behind amalgamations, along with the associated motives, opinions and theoretical arguments which underpin them. To explain the 'how', 'why' and impact of the amalgamation requires more detailed, rich information which can be gathered mostly from textual documents and direct contact interviews. The benefit of this type of research is that it allows a deep analysis of the various factors which motivate the reason behind the phenomenon (Kothari, 2004). According to Bell (2010), utilizing a qualitative approach means that a researcher is more concerned about understanding the individuals' view of the world. For this report, this means understanding the motives and intricate details which comes through secondary data and the interview informants.

Unlike quantitative research, a qualitative approach allows the capturing of different perceptions from interview informants, and even if most of the information does not directly respond to the given questions, the information helps to add context and in turn explain underlying causes which numbers alone cannot reveal (Bhattacharjee, 2012). Bell (2010, citing Punch, 2005) states that in qualitative research, the researcher may also draw on quantitative techniques. In the contextual chapter of the report, I utilise quantitative data to provide a background of COT and KLM.

The case on amalgamation was selected as a means to understand some of the interventions which are used to address the problems of local government. Initially, the focus would have been on the Mnquma Local Municipality, located in Eastern Cape under the Amathole District Municipality. This was motivated by the need to understand why it was not achieving some of its constitutional mandates such as service delivery. The question on this case was whether the Amathole District Municipality could incorporate the municipality, thereby executing all of its responsibilities instead. However, this was mainly hypothetical and it made sense to explore a case where amalgamation had already occurred which is why the Tshwane and Kungwini merger was chosen. In addition, geographical proximity to the study area and consideration of available information were contribution factors for choosing the merger.

This case study represents an exploratory study of amalgamations in South Africa, describing the process which was followed to merge Tshwane and Kungwini and the associated outcomes. The kind of information which was needed to answer the questions is as follows: Mainly information which explained what municipal amalgamations are, how they are executed and why they are needed both in South Africa and internationally; information which provided the arguments for and against amalgamations and also showed if these arguments were true; more information specific to the Tshwane-Kungwini merger was needed to understand the character of the municipalities, and to see how they were linked. The research required information from people who had knowledge on the merger and specifically those who may have been directly involved in the merger. Hence, the informants who were selected for the interviews in this research had some knowledge of the merger since their organisations were stakeholders involved in the amalgamation.

1.9.2 Data analysis

The research report relies mostly on content analysis to synthesise the information which was available to use – from books, journals and municipal reports as mentioned above, the research classified the relevant material according to themes. This was further inspired by Taveres (2018) on his paper, ‘municipal amalgamations and their effects’. In the paper Tavares (2018) uses key words such as ‘local government amalgamations’, and ‘municipal reforms/territorial local government reforms’. In the research, the data is analysed by themes such as economic efficiency, economies of scale and cost savings, managerial implications, democratic outcomes, associated consequences and expectations of amalgamation, factors encouraging amalgamations and the arguments against them. The themes also helped to structure the research questions and also to see how the empirical work compares to information provided under the themes.

1.9.3 Information and Data collection

Bhattacharjee (2012) mentions many types of research methods that can be utilised in qualitative and quantitative research methods. For this research report, the ‘case research’ method has been used for an in-depth investigation of the Tshwane – Kungwini amalgamation. This was done using a combination of interviews, and secondary data such as municipal reports on the amalgamation, Integrated Development Plans and financial audit documents. The purpose of this is to ensure that the information provided by the informants can be compared and contrasted with data so that the information is not entirely based on perception and observation.

On the 4th of November 2019, a seminar on municipal amalgamations in South Africa was held by the Municipal Demarcation Board and the Human Sciences Research Council (HRSC). This seminar involved a presentation of amalgamation cases in the country, where outcomes were presented and a discussion was held to determine whether amalgamations work. In chapter four, reference to this seminar will be made as part of the findings of the report.

The research makes use of books, journals and articles to review the literature which exists on amalgamations. The bulk of the material deals with cases of amalgamation from an international aspect, while some of it touches on South Africa.

The literature was useful in identifying the important areas that the report explores as it helped structure the research questions. Chadwick Gill, Stewart and Treasure (2008) mention a few ways in which data may be collected which include, observations, analysis, and interviews.

This research report makes use of one-on-one interviews with key informants through a predetermined list of questions. A one on one interview is necessary to draw out a detailed discussion with people who are knowledgeable about amalgamations (Bhattacharjee, 2012). In this case, the report requires informants since they would have information on the Tshwane-Kungwini case in particular. The questions from the questionnaire were asked verbally and the informants were required to give their own views where necessary. A semi-structured questionnaire was used because it allows a combination of fixed and open-ended questions which encouraged the informants to provide information beyond the given question.

To ensure an accurate collection of information from the interviews, I wrote notes and voice recorded the conversation following consent given on this. The questions which were asked from the questionnaire are taken from the sub-questions of the report and can be accessed on appendix A.

To access more informants, I followed a snowball sampling method suggested by Bhattacharjee (2012). It is beneficial for identifying informants that have relevant information for the research. In snowball sampling, the informants were asked to recommend other people who were likely relevant to participate in this research. These informants were mainly from the COT, former KLM, the MDB and the Department of Cooperative Governance and Traditional Affairs (COGTA). Only six out of ten possible informants were interviewed since others were not available.

It must be noted that this report engages in a scholarly debate of municipal amalgamation, where the exchange of knowledge is mainly academic and hardly compromising or harmful to any individuals. While it would be useful to provide the exact names of the informants, the report will only acknowledge the organisations and positions of the informants as a means to demonstrate their level of association with amalgamations in general, and the particular case study. The report therefore labels each informant alphabetically but provides a brief background on where they work (Table 1).

Informant E was the only accessible person with a working background of Kungwini who was willing to participate in the research interview. Before working for COT Metropolitan Municipality, she worked for Kungwini Local Municipality.

Table 1: Informant description and organization

INFORMANTS	POSITION
INFORMANT A	Works for the Municipal Demarcation Board; Head of Geographic Information Systems Department
INFORMANT B	Works for Gauteng Department of Cooperative Governance and Traditional Affairs
INFORMANT C	Works for Gauteng Department of Cooperative Governance and Traditional Affairs
INFORMANT D	Acting CEO of the Municipal Demarcation Board; Heads a division which manages all research and operations regarding re-determinations and ward delimitations
INFORMANT E	Works for the COT Metropolitan Municipality; Land development administrator, responsible for processing land development application for Kungwini
INFORMANT F	Works for the National Department of Cooperative Governance and Traditional Affairs

1.10 Ethical Considerations

In undertaking this report, using the research methods mentioned above, ethical considerations were followed to ensure that there is no encroachment on research ethical standards. “Ethical research involves getting the informed consent of those who you are going to interview, question or take materials from” (Bell, 2010, 47). Before any individuals were contacted, permission was applied for from the School of Architecture and Planning and Human Research Ethics Committee in the University of the Witwatersrand. This permission was granted in the form of a clearance certificate showing that I have been permitted to conduct my research in a manner consistent with the ethical conventions of the University of the Witwatersrand.

A copy of the clearance certificate can be accessed in the appendix D. The ethics application involved a participation information sheet, a consent form, questionnaire and a research proposal. These documents are also attached in the appendix section of the report.

As part of the recruitment process for the interview, the informants were emailed participation information sheets to read. However, in addition, these were also read out to the informant before the interview, where the purpose of the research was clearly explained. It was stated that the participation of the informant is completely voluntary and that no payments or incentives of any kind would be given to the informant. The informants were ensured freedom to refuse to respond to any question and could withdraw from the interview at any time. The informants were ensured confidentiality and instructed to read the participation information sheet by themselves. Bond and Hart (1995) state that it is necessary to provide informants a chance to read and re-read the forms at their own pace until they are fully confident about the choice as to whether they will participate in the interview or not. Upon approval, the informant and researcher both signed a consent form which indicates that they both acknowledge all that is stated in the forms and therefore agree to the interview.

1.11 Chapter outline

This report comprises five chapters which are as follows: the first chapter is an introductory chapter which includes an overview of the apartheid history of local government and transitional local government to provide a background of amalgamations in South Africa. The chapter also provides the rationale of the research along with the research topic, main question, sub-questions and lastly the research methods and ethical considerations. Chapter two reviews the international literature on amalgamations and also includes a conceptual framework. The third chapter is a contextual chapter – it provides data and information as the background on City of Tshwane and Kungwini. The fourth chapter is structured into two sections: section one introduces information provided by the informants and by secondary data. Section two presents the analysis of information gathered from interviews and secondary data. The fifth chapter is a concluding chapter of the report which draws together the main arguments of the report. It also responds to the main research question and finally provides a reflection on the arguments and recommendations for planning.

1.12 Conclusion

The purpose of this chapter was to introduce the study on the amalgamation of Tshwane and Kungwini. The research included a discussion on local government during the apartheid period which triggered a need for amalgamations in South Africa post-apartheid. The apartheid local government, transitional local government, the section of amalgamations in South Africa and the Gauteng City Regions all contextualise the study and set the scene for a more detailed section which specifically deals with municipal amalgamations. The chapter also outlines the research methods applied in this report. This study is mainly exploratory and it would be ideal to conduct one that fully evaluates cases of amalgamation.

The following chapter looks at municipal amalgamations in an international context. Its purpose is to review the municipal amalgamations literature and explore the associated arguments thereof. The importance of this chapter is that it provides more insight onto how municipal amalgamations have worked in different contexts. However much of the literature available is from the Global North. It is recommended that future studies on this topic consider amalgamations in the Global South, to the extent possible. Literature on amalgamation helps to frame an understanding of these processes and their outcomes, and their implications for development planning.

Chapter two - Understanding the international debate on municipal amalgamation

2.1 Introduction

This chapter introduces the international municipal amalgamation literature. In reviewing this literature, this chapter explores the existing debate on amalgamations to discover what arguments and outcomes have come from international contexts. Chapter two also includes a conceptual framework.

The big debates on amalgamations involves whether big consolidated governments are better than smaller ones. The motivation behind amalgamations is that they are ideal instruments for achieving economies of scale and distributing resources equitably (Tavares, 2018). However, Dollery and Fleming, (2006) indicate that there has not been much evidence to support these arguments. Essentially, the debate consists of efficiency, equity and democracy arguments. Efficiency arguments are about saving costs and time, equity arguments involve the integration of poor and rich areas and distributing resources fairly to all groups of people, and democracy arguments are about small local government being closer to people and being more responsive to local matters. Ideally, consolidation would eliminate inequality through cross-subsidization from rich to poor areas so that both groups enjoy equal levels of services (Todes and Watson, 1985). This equity argument is further supported by the view that fragmented local government tends to drive inequality. The most prominent argument in this debate is that bigger municipalities can distribute resources more efficiently to poorer areas, ergo, creating consolidated governments means that inequality can be addressed better.

2.2 Municipal Amalgamations

There are several terms being used in literature to refer to municipal amalgamation such as structural reform (Boyne, 1992), and consolidation (Sørensen, 2006) which both refer to the idea of bringing local government units together to form consolidated local governments. In South Africa, amalgamation was seen as an approach to integrate poor and rich areas which were segregated and controlled by different councils during the apartheid period. Internationally, however, amalgamations are advocated for improving efficiency and service provision of local government (Tavares, 2018). The main debate around municipal amalgamations captures two contrasting views. One side sees amalgamations as a better option to transfer substantial economic benefits from bigger, fewer municipal councils to people (Dollery and Crase, 2004). In contrast, public choice scholars² believe that smaller municipalities are more responsive to local issues being closer to people. Public choice scholars also believe that smaller municipalities are more efficient and participative (Allan, 2003). As mentioned earlier, this is motivated by the lack of theoretical and empirical evidence showing that larger councils are more cost-effective than smaller ones, or that they can yield more economies of scale (Dollery and Fleming, 2006). Dollery and Fleming (2006) write from an Australian context, where municipal structural reform policy is heavily undergirded by the notion that ‘bigger is cheaper’ since it is said to yield economies of scale. However, it must be noted that Australian municipalities are generally much smaller in population size than South African municipalities which may mean that they respond differently to amalgamations.

Tavares (2018) writes that municipal amalgamations have intended and unintended impacts on economic efficiency, managerial effectiveness and democratic outcomes. He captures the views of public choice scholars which disagree with the arguments in favour of consolidation, and also presents arguments from amalgamation activists which support mergers in defence of stronger bureaucracies. The arguments and consequences in this chapter are presented in two sections, each with three categories.

² Public choice scholars are generally against the idea of amalgamations since they are in support of small municipalities.

The first section presents the theoretical background on economic expectations and arguments, functional and managerial implications and arguments and lastly the democratic expectations and arguments. The second section presents the consequences or outcomes in terms of the economic, managerial and democratic aspects.

The discussion draws particularly from Tavares (2018) who reviewed 52 empirical studies of municipal reforms, over the previous 20 years, to uncover their success and failures. The countries covered include Denmark, Canada, Australia, Japan, Sweden and the Netherlands. He explores the consequences of amalgamations to see whether there are trade-offs involved between the efficiency of outputs and the democratic outcomes resulting from these reforms. From this review Tavares (2018) aims to assist officials and policymakers who seek advice on pursuing municipal amalgamations. It must be noted that most of the literature reviewed by Tavares comes from first world countries, therefore some arguments and implications might differ from the South African context, where finances and capacities are more limited, inter alia. Tavares (2018) excludes most of the articles which address the effects of amalgamation without original data analysis. He also excludes pre-amalgamation analysis since it only projects the possible consequences rather than the actual consequences of amalgamations.

In identifying some subtle differences in the outcomes of most amalgamations, Tavares (2018) identifies a few common factors. He finds that cost savings are mostly limited to the general administration expenditures such as wages and office supplies. Some mergers also result in a decrease in the quality of local services and a reduction in the level of local democracy (Tavares, 2018). According to Tavares (2018, citing Bish, 2001), this observation is aligned with public choice scholars' view of amalgamations as a monolithic and harsh solution which is not capable of reflecting the various preferences and views of citizens in a municipal area.

The following section presents the literature on the theoretical expectations or arguments regarding amalgamations.

2.2.1 Theoretical Background

A. Economic expectations and arguments

The first general expectation of amalgamations from many proponents is that larger municipalities are more capable of providing public services to citizens at lower unit costs due to economies of scale. Mabuchi (2001) states that it is possible that amalgamations can increase efficiency in local government, where duplication in public facilities is eliminated and the number of public servants is reduced. It is believed that since larger municipalities have more resources than smaller municipalities, they can save costs and fulfil their duties better. In a theoretical context, the idea is that bigger municipalities are able to reap economies of scale and scope in service provision (Khumalo and Ncube, 2016). However, it is not easy to analyse the relationship between the size of municipalities and the efficiency in the provision of services.

According to Tavares (2018, citing, Boyne, 1992, Dollery and Fleming, 2006, and Dollery *et al*, 2008) this argument is highly debatable. From these authors, Tavares (2018) finds three explanations for why economies of scale are not always guaranteed in amalgamations. Firstly, economies of scale may not be uniform across all the services provided by local governments. For capital – intensive and infrastructure services, perhaps some gains may be found since fixed costs can be spread across more residents, but for labour-intensive services, these gains may be reduced due to the costs of hiring more employees to respond to a demand which increases with a bigger municipal population size. Secondly, managerial costs are expected to increase after a certain population size – which may create diseconomies of scale. Lastly, there are numerous other factors which determine whether or not costs will be saved. For instance, migration, tourism, population age, service quality and local income are some factors which could affect cost savings. Bish (2001), Dollery and Fleming (2006) and Tavares (2018) also suggest that apart from using amalgamations to enable economies of scale, the best option would be considering the idea of resource-sharing with neighbouring municipalities. In addition, some services could be purchased from private providers instead of using amalgamations to acquire them. This is mostly an expectation for smaller municipalities on the assumption that it is more cost-effective to provide them in this way.

This could be very beneficial since municipalities will assist each other on areas where they struggle the most. Usually politics gets in the way of this partnership especially if the different municipalities are run by different political parties, however, the price for overlooking this obstacle is much less than the associated costs that come with amalgamations (Tavares, 2018).

According to Tavares (2018) amalgamation proponents argue that bigger municipalities favour local economic development not only because of their wide-ranging view of planning activities but also because they benefit from lower interest rates and represent lower risks in investments to finance expensive infrastructure. Bigger municipalities may also be in a better position to attract investment from private companies since they are seen to be powerhouses of service provision. Economic efficiency and managerial effectiveness in amalgamated municipalities is almost guaranteed due to higher degrees of specialization and professionalization of larger local governments (Denters, Goldsmith, Ladner, Mouritzen and Rose, 2014, also cited in Tavares, 2018). In addition, it is argued that free-riding (benefiting without contribution) due to interjurisdictional spill overs is also less likely to happen since with amalgamations, roles and responsibilities will be more defined compared to when there are multiple local municipalities (Swianiewicz, 2010).

To expose and debunk the assumptions of municipal amalgamations, Allan (2003) presents a few attempts on amalgamations which took place in Australia. For instance, in Victoria, the amalgamation process was carried out with an aim of creating cost savings of 20 percent, yet only 8.5 percent cost savings were realized mainly from competitive tendering and not necessarily amalgamations. In South Australia, only 2.3 percent cost savings were achieved instead of the intended 17.4 percent. This tiny savings of costs was soon followed by escalation of rates. From the recent attempts examined by Allan (2003), the conclusion is that the attempts on amalgamations generally do not match the expectations. Bird and Slack (2013) present a Canadian case where they evaluate the extent to which municipal amalgamation in Toronto achieved the objectives of cost saving and its impact on taxes, financial viability, local access and responsiveness. This 1998 case was triggered by the growth and expansion which had occurred outside the boundaries of Metropolitan Toronto (Greater Toronto Area).

As a response to the growth, the provincial government decided to amalgamate municipalities outside the Metropolitan Toronto authority with those within it. By creating a new City of Toronto, the main objective was to save costs through the establishment of a bigger tax base while also aiming to acquire efficiency, local responsiveness and financial viability. The following sub-sections provides more detail on the Canadian case, considering the municipal restructuring of Ontario and Toronto.

Municipal restructuring in Ontario

Canada comprises three levels of government, namely, the federal government, ten provincial and three territorial governments and over 3,700 local governments (Bird and Slack, 2013). Municipal restructuring in Canada, notably areas such as Ontario and Toronto occurred due to a number of reasons, some which have already been mentioned. For Ontario, restructuring occurred in two waves, the first during the time when the Metropolitan Toronto was established in 1953 as a two-tier government with a metropolitan tier and 13 lower-tier local authorities. Subsequently 11 two-tier regional municipalities were added between 1969 and 1974. These municipalities covered over one third of the population of Ontario (Tindal and Tindal, 2009; cited in Bird and Slack, 2013). The rationale behind the creation of the metropolitan and regional governments was to address regional issues such as transportation, planning and policing at the upper-tier level while leaving local issues to be dealt with by lower tier governments. The two-tier approach in this context, and possibly in other regional contexts outside Canada, was an alternative to the expansion of municipal boundaries horizontally. Bird and Slack (2013) write that amalgamation objectives could be achieved vertically, by shifting services to higher levels or bringing in a new tier of local government with larger units superimposed on top of existing units. In 1974, the amalgamations had stopped and only resumed from 1991 to 2001, marking the second wave. This resulted in a reduction from 839 municipalities in Ontario, to 444. The amalgamations were mostly imposed by the provincial government, where some upper tiers were combined with lower tiers to create single-tier cities from what was initially a two-tier structured government (Bird and Slack, 2013).

The argument according to Bird and Slack (2013) was that the amalgamations would eliminate municipal bureaucracy and inefficiency while increasing fiscal capacity and accountability. In addition, it was thought that economies of scale would be achieved through the elimination of duplication. This prompted a realignment of local services from provincial to municipalities while some services some such as education were managed by provincial government.

Municipal restructuring in Toronto

Prior to 1953, before the metro was two-tiered, the City of Toronto (then a one-tier government) was surrounded by 12 municipalities which grew rapidly after the Second World War to accommodate the regional population that Toronto could not place due to insufficient land for single-family housing. The growth placed high demands on the smaller municipalities which caused capacity problems because municipalities had fewer resources and their tax bases were not as strong as that of the City of Toronto. The City of Toronto had a solid financial base due to its commercial and industrial properties (Slack and Bird, 2013). To solve these issues, legislation to create the Metropolitan Toronto was passed called the Metropolitan Toronto Act of 1954. It established the two-tier government with a metropolitan tier and 13 lower-tier municipalities. In 1967, the provincial commission suggested another restructuring which saw the consolidation of the 13 to six lower-tier municipalities (Williams, 1999). This structure helped to provide the necessary infrastructure and revenue to service the whole metropolitan area. However, in the 1970s, more outward expansion outside the metro boundaries lead to what became known as the Greater Toronto Area (GTA) with a population of 4.6 million and an area of 7,200 km².

The response to this expansion was the creation of four new two-tier regional governments as upper tier authorities around the metro (Williams, 1999). This structure would remain unchanged until the year 1998 when the provincial government decided to create a new Toronto by amalgamating the upper-tier metro government with the six lower-tier local governments. As mentioned already, it was believed that this would save costs, remove barriers to growth and investment and create jobs (Williams, 1999).

In addition, local business supporters believed that the amalgamation would help to eliminate duplication (Williams, 1999; citing Klynveld Peat Marwick Goerdeler,, 1996).

What has Toronto achieved?

The amalgamation has resulted in an institutional structure that manages to be too small to address the initial regional issues that plague the GTA (land use planning and economic development), yet too big to be responsive to its local residents (Bird and Slack, 2013, citing Slack, 2005). It also appears that the amalgamation did not achieve the objectives set by the provincial government to save costs. Williams (1999; citing Frisken, 1998; Frisken, Bourne, Gad and Murdie, 1997) writes that this political activity of remodelling Toronto's institutional structures to meet economic competitiveness and social inclusiveness has brought about controversy without, providing clear evidence of improvements in institutional capacity. Bird and Slack (2013) write that the amalgamation did not achieve any visible costs savings. Expenditures increased due to spending in services such as fire services, refuse collection, parks and recreation. The harmonization of salaries for workers and the expenditures generally outweighed the cost savings. Overall, the gains from the amalgamations were marginal, and in hindsight, it is unlikely that anyone looking back with the knowledge of the questionable benefits of the amalgamation would willingly undertake the complex process of amalgamating again (Bird and Slack, 2013).

B. Functional and managerial expectations and arguments

According to Oakerson (1999; cited in Tavares, 2018), local officials are in a better position to tailor make policies which perfectly fit the preferences of a community whose population size is smaller. The premise here is that communities from smaller municipalities are much more homogenous than communities from big consolidated municipalities. Smaller governments are closer to the people and thus have more knowledge of their preferences (Oates, 1999; cited in Tavares).

However, Howell-Moroney (2008) states that communities coming from fragmented polycentric regions may be highly differentiated due to the supply and demand of various level of services causing competition among small local municipalities in terms of private investment. This leads to a situation where communities sharing similar preferences, group themselves in municipalities which service them better. Community household incomes also play a role in influencing the level of differentiation within municipalities. Other factors could be taxation and affordability of public services.

The classical argument by Tiebout (1956, cited in Tavares, 2018) states that, 'citizens vote with their feet.' Citizens will go to places where their needs are most served, to select a combination of preferences most ideal for them (Tiebout, 1956). The result is usually a heterogeneous display of preferences between communities across a regional landscape and a high homogeneity of preferences within a community of the same region. The high levels of competition between fragmented local governments provides an incentive for efficiency and a provision of a variety of services (Khumalo and Ncube, 2016). Conversely, municipal consolidation could eliminate or reduce the number of competitive municipalities which may potentially lead to an inefficient, high taxing municipality (Reingewertz, 2012, citing Besley and Case, 1992). It is argued that for consolidated municipalities, managerial costs tend to increase due to the complexity of bureaucratic organizations which are affected by demand pressures for public services (Denters *et al*, 2014). In addition, Newton (1982) argues that consolidated governments lead to a more diverse and specialized set of services which include, planning, public transportation, police and fire services. This differentiation in services may be seen as an additional influencing factor which has encouraged the move towards municipal amalgamations. Other considerations which fall under managerial and functional expectations and arguments are capacity and the boundary question. As explained below, these factors also encourage amalgamations.

I. Capacity

Capacity can be argued to have an influence in the pursuit of amalgamations. However, it is not a big argument for developed countries as much as it for South Africa and perhaps other developing countries. For South Africa, capacity is seen as one of the most important motivations for amalgamation because it links to the ability of local governments to be financially viable and to perform well. While not expressed directly, it is evident that capacity remains to be seen as one of the key factors for amalgamations in South Africa. As will be addressed in detail in the next chapter, there are several types of capacity – administrative, financial and institutional. The concept of capacity is defined as having substantial administrative, financial, human and infrastructure resources in order to fulfil the constitutional mandates as assigned to municipalities (Municipal Demarcation Board, 2018, citing Republic of South Africa, 1998).

In the context of local governance, this concept also includes leadership, governance and oversight capacity of municipal staff to steer the municipality in the right direction (Municipal Demarcation Board, 2018). Republic of South Africa (1998) notes that, as part of a municipality's objective, it must within its capacity ensure that objectives such as fulfilling community needs, good performance and public engagement are met. Section 85 of the Municipal Structures Act (Republic of South Africa, 1998) provides that the Municipal Demarcation Board must assess the capacity of an area when determining municipal boundaries. When observing capacity, other factors such as integration, financial viability and administrative capacity are considered. The failure of municipalities to have the capacity to meet constitutional objectives often means that they are dysfunctional. This has often meant that municipalities are inundated with corruption, lacking a structure of community engagement, faced with poor financial management and service delivery backlogs and a lack of innovative approaches to implement new ways of operation (Siddle and Koelble, 2016).

At least a third of South Africa's municipalities are considered to be dysfunctional (Khumalo and Ncube, 2016). One antidote for this problem has been believed to be municipal amalgamations. For instance, as mentioned by Khumalo and Ncube (2016), in 2015, the Minister of Cooperative Governance and Traditional Affairs had proposed the amalgamation of municipalities in order to deal with challenges of 'financial viability and dysfunctionality' of municipalities. This proposal was motivated by the expectation that amalgamations can solve poor service delivery and make municipalities financially viable and functional.

II. Boundary question

The boundary question and equity concepts are additional positions which are used in favour of amalgamations (Todes and Watson, 1985). The boundary question relates to the adjustment of geographic boundaries and fitting them to current existing realities (Todes and Watson, 1985). Since development contexts and boundaries are not static, it is necessary to adjust these to ensure that further development is not impeded by inadequate servicing and planning (Todes and Watson, 1985). However, the issue for metropolitan government with respect to boundaries has been the difficulty of defining a continuous expansion of a metropolitan area.

It is due to this continuous expansion why boundary rationalization always lags behind economic development (Todes and Watson, 1985, citing Magnusson, 1981). In addition, it is noted that diseconomies of scale may soon come into effect due to the continuous expansion of metropolitan areas which may require more costs to manage thus resulting in less cost savings.

C. Democratic expectations and arguments

There are two different principles given by the urban politics literature for why participation is affected by the presence of multiple municipalities in regions and what impact this has on the quality of civic life and political engagement in the community. According to Tavares (2018) the assumption is that population sorting (groups of people with similar needs locating in the same areas) is caused by the fragmentation of municipalities and community differentiation across multiple municipalities which directly affects the efficacy of participating in political and community life (Tavares, 2018).

In particular, he notes that the urban politics literature believes that there is likely to be closer contact between councillors and citizens in municipalities with a smaller population size.

This connection makes it easier for the residents to observe politics and hold politicians accountable for their actions, unlike in amalgamations where the big scale creates a distance between representatives and citizens, which in turn leads to a decline in political and social trust (Tavares, 2018, citing Denters, 2002). According to Oakerson (1999), fragmented local governments can promote more consensual decision making since small scale governments are able to represent relevant interests in the community. Oakerson (1999, also cited in Tavares, 2018) mentions that a true civil society which fully participates in politics could emerge, if small governments are set up to define coherent communities of interest that conduct their politics in a less adversarial manner. The outcome could be a society whose businesses and residents will instead function as co-producers with municipal governments rather than demanders (Oakerson, 1999). According to Costa and Khan (2003), studies which focus on social capital within political participation show that there are higher levels of citizen involvement in demographically and economically homogenous communities than in communities with diverse populations such as in consolidated municipalities.

In contrast to this however, consolidated governments without smaller nested municipalities combine highly diverse interests into a single comprehensive political jurisdiction and this situation creates conflict. Reingewertz' (2012, citing Kessing, 2010) opinion is that bigger councils can also hold local politicians accountable since the area will be under the control of a central government. The argument is that it is easier to monitor politicians in a consolidated government rather than one with numerous fragmented governments.

The debate about smaller individual municipalities and their responsiveness to local issues has been a long-standing one. Kessing (2010) and Allan (2003) both argue that smaller councils can create more accountability and efficiency. In light of this debate however, Allan (2003) writes that, while there are necessary reasons why some functions benefit from bigger councils (rates, works and maintenance), not all councils need to be big to function better.

Allan (2003) acknowledges that the selection of size must come with adequate reason; simply amalgamating for all the reasons is not the correct solution.

According to Tiebout (1956), the responsiveness of smaller governments emanates from the competition amongst them. However, an opposing view from the proponents of amalgamation is that big municipalities are more capable to carry out functions in a coordinated manner, therefore enabling them to be equally responsive as smaller local governments. The argument by Dahl and Tufte (1973; cited in Tavares, 2018) is also similar – an increase in the capacity of service delivery by big municipalities can also affect and improve the quality of local democracy. Their big population size may also mean there will be a stronger civil society and enhanced pluralism (Tavares, 2018, citing Swianiewicz, 2002). The idea is that a good standard of service provision from big governments provides an incentive for citizens to get involved in politics because the number of relevant political issues and service functions performed by big governments also increases. For Dahl and Tufte (1973) and Denters *et al* (2014), big municipalities can generate larger pluralistic democracies which are equally capable of increasing responsiveness.

So while there is a strong view about smaller councils and their ability to create contexts which allow a narrowed scale focusing on local issues both geographically and democratically (Allan, 2003), it appears that other authors such as Swianiewicz (2002) believe that larger councils are equally capable of creating settings which can enhance local democracy at a larger scale. The question of which kind of structure is good enough to promote citizen participation, local democracy and decision making appears to be a moot point, given the contrasting arguments and the lack of supporting data. The following section provides an equally important issue which influences the adoption of municipal amalgamations.

D. Equity argument

It is noted that regional authorities or metropolitan governments with greater taxation capacity are in a better position to ameliorate financial burdens and inequalities in service provision by distributing the basic service provision across wider areas more equitably (Todes and Watson, 1985, citing Jones and O'Donnell, 1980). Vojnovic (2000) writes that advocates of consolidation argue that equity concerns can be satisfied through single-unit jurisdictions due to the larger government's ability to provide a wider tax base and because of revenue sharing. Vojnovic (2000) adds that in cases where there is unequal distribution of commercial and industrial investment, amalgamation can result in equity improvements. It is stated that the equity argument is important in evaluating the benefits of municipal reforms due to their ability to redistribute taxes from wealthier to poorer jurisdictions. However, Vojnovic (2000) indicates that this does not mean advantaged municipalities will be willing to amalgamate and share resources with distressed neighbours. However, despite the said ability of big government to redistribute more equitably, this is not always guaranteed since some problems of amalgamation may arise elsewhere (Todes and Watson, 1985, citing Jones and O'Donnell 1980). For instance, as already mentioned, amalgamated governments may be less economical. Diseconomies of scale may occur which may make it more expensive to distribute resources to some areas in the municipality, for example, peripheral areas. In addition, other problems may be managerial problems and excessive bureaucracy.

The debate on amalgamation brings several convincing yet conflicting theoretical expectations and arguments. The following section presents the consequences of amalgamations to observe whether the empirical studies support or refute the arguments coming from the amalgamation debate presented above. These empirical studies comprise case studies conducted in various countries as indicated in the introduction of this chapter. This following section is also important to provide an idea of the kind of results which could be anticipated from the Tshwane-Kungwini case.

2.2.2 The Consequences of Amalgamations: Economic, Management and Democratic implications

A. Economic Efficiency

As has been stated, the common outcome from amalgamation cases is that the expectations are usually not met (Tavares, 2018). While there have been some positive outcomes for Denmark (Blom-Hansen, Houlberg and Serritzlew, 2014, cited in Tavares, 2018), Germany (Blesse and Baskaran, 2016, cited in Tavares, 2018) and Japan (Miyazaki, 2017, cited in Tavares, 2018), Tavares (2018) finds that most of the studies discover no significant cost savings from amalgamated municipalities. According to Tavares (2018) and other authors such as Boyne (1992), Oakerson (1999), Jones (1993), Sanction (1996) and Allan (2003), consolidated councils are less economical and less locally responsive. Allan (2003, citing Boyne, 1992) who has looked at Australian contexts of amalgamation, states that consolidated municipalities are usually associated with higher spending compared to fragmented local government. Allan (2003) adds that there might even be diseconomies of scale which may outweigh the technical benefits of larger municipalities. For instance, a reduction in expenditures could be offset by increased spending in other service categories as witnessed by Tavares (2018). According to Tavares (2018), a large number of studies consider municipal expenditure as a dependent variable. For Allers and Geertsma (2016) for instance, there were no major effects on aggregate spending or taxation, but they did confirm a reduction in spending on general administration costs as a result of municipal mergers in the Netherlands. The point here is that after the amalgamation, the councils are spending money more effectively.

Bikker and van der Linde (2016) use longitudinal data from the year 2005 to 2014 to study municipal expenditures on local administration by Dutch municipalities. They find that there were higher unused economies of scale of 17% for average ³municipalities, higher for smaller municipalities and lower for larger municipalities. Lower unused economies of scale suggest that cost savings are being used optimally in big consolidated governments due to effective spending (Bikker and van der Linder, 2016).

³ Larger municipalities in this study refer to approximately 67 500 inhabitants in a municipality, while small municipalities refer to 38 800 inhabitants and 48 200 inhabitants for average municipalities.

Although the actual sizes are not specified, the assumption from this was that efficiency could be achieved as a result of amalgamations (Bikker and van der Linde, 2016). However, Auster, Dollery, Marshall and Witherby (1999, cited in Allan, 2003) contends that there is no standard size which is appropriate for local authorities to function efficiently. In fact, Allan (2003) states that there is little evidence supporting the operation of scale factors which produce efficiencies. Dollery and Fleming (2006, cited from Askim, Bjurstrom, Klausen, Vabo, 2016) also state that there is no theoretical or empirical agreement existing which confirms a relation between cost effectiveness and larger councils. Allan's (2003) concluding statement therefore is that efficiency and effectiveness are not a function of size.

Roesel (2017) looks at a merger of 22 local governments rationalized to form ten municipalities, in Saxony (Germany). In this investigation, the results show that there are no reductions in total expenditures on administration, education or social care. Roesel (2017) also finds no population scale effects for jurisdictions of more than 100 000 inhabitants. However, in Brandenburg (Germany), Blesse and Baskaran (2016) do find significant reductions in administrative costs after the amalgamations, but they state that savings are mostly because of the choice of 'optimal partners' with whom to amalgamate. For example, amalgamating with a well functional municipality (optimal) will be more beneficial, than with a dysfunctional and poor municipality.

Per capita spending which is also linked to municipal expenditures may also differ according to the size of the municipality. In Finland, Moisio and Uusitalo (2013, cited in Tavares, 2018) compare 82 amalgamated municipalities with 82 (unmerged) municipalities in a control group to monitor per capita spending during the period of 1970 to 1981. The study revealed that municipal amalgamations did not bring about lower per capita spending. The 82 municipalities from the control group however, had a lower per capita spending than that of the amalgamated municipalities (Moisio and Uusitalo, 2013). It was only in general administration that per capita spending decreased by approximately 8% for the amalgamated municipalities. However, the reduction was smaller than the increase experienced in other spending categories.

Reingewertz (2012) carried out a study in Israel involving 244 municipalities (21 merged and the rest were not). The purpose of the study was to see whether municipal amalgamations can yield economies of scale. It used multi-dimensional data measured from 1999 to 2007 to analyse a range of municipalities. Reingewertz (2012) found a decrease of 9% in expenditures which indicated that economies of scale were obtained. Reingewertz (2012) found no results showing a decrease in the level of services provided to residents in those amalgamated municipalities. However, Tavares (2018) does find that in recent research, there was a trade-off between efficiency and democracy in the Israel amalgamation reform. According to Mabuchi (2001), there is a general belief that amalgamation has a negative effect on democracy. The idea of a trade-off (opportunity cost) between efficiency and democracy appears to be quite common amongst authors in the debate of amalgamations. Mabuchi (2001) believed that this trade-off exists because efficiency would demand a municipality of a certain size, which ultimately would be too big to be responsive.

An investigation on 15 Australian consolidation cases was conducted by Aulich, McKinlay and Sansom (2014, cited in Tavares, 2018) found evidence of consistent economies of scale coming from the consolidations. Miljan and Spicer (2015) also look at three small consolidated municipalities in Ontario (Canada). Using comparative analysis of financial data, they concluded that the amalgamations did not result in cost savings nor lower property rates. Instead, property rates had increased, and the amalgamated municipalities found themselves in a long-term debt.

B. Managerial implications

The following subsections are presented to show the managerial implications of amalgamations. They are organized as followed: financial performance outcomes, quality of service and perception-based studies.

i. Financial performance outcomes

According to Houlberg and Pedersen (2015), big municipalities often have higher expenditures due to their complexity, while smaller municipalities struggle to stick to their budgets. Big municipalities are less vulnerable to budget changes since they usually have bigger budgets and professional staff that are skilled in legal and economic aspects (Houlberg and Pedersen, 2015).

In respect of interest rates, Allers and van Ommeren (2016) have found these to be lower in larger recently amalgamated municipalities than those in fragmented municipalities. This could be attributed to the highly specialized professional staff in larger municipalities or their ability to make deals with banks since they are a bigger institution and are more capable of paying off their debts.

ii. Quality of service

Tavares (2018) writes that the studies which investigate service quality from amalgamations are very few, but they refute the idea of amalgamations resulting in lower service quality. Tavares (2018) adds that the majority either reports null findings or positive effects. Allers and Geertsma (2016) conducted a study of amalgamations in the Netherlands and found no change in the quality of public services due to amalgamations. Similarly, Reingewertz (2012) also found no result of reduction in the quality of services provided to residents of amalgamated municipalities in Israel. Although Steiner (2003) observes a general performance improvement in quality of services in Switzerland, there were no improvements in the utilization of municipal budget through the amalgamation since municipalities would still overspend or underspend. The work of Steiner and Kaiser (2017) in Switzerland shows little support for the idea of amalgamations resulting in improved public service delivery, increased professionalization of staff and municipal autonomy.

For Krotel, Villadsen and Hansen (2017) who conducted a study in Denmark, there were no significant changes in the public management related to daily operations but other tasks such as providing political counsel to the mayor and representing the administration on external matters were positively affected by size changes resulting from amalgamations.

iii. Perception based studies

This section looks at the impacts of amalgamation on the managerial outcomes as perceived by citizens. Tavares (2018) notes that these studies are quite rare. Poel (2000) who has conducted a survey of 752 informants involving businesses and residents in Halifax, Nova Scotia (Canada), finds that most citizens did not have any favourable assessments of the amalgamation done in the Halifax Regional Municipality.

The citizens therefore did not link the amalgamation to any positive aspects considering that most services remained unchanged. Another survey was done in Australia by Hastings, Grant, Lawrie, Ryan, Shé and Wortley (2015) consisting of 2,006 individuals. In the survey, the authors found that most citizens were quite ambivalent towards amalgamations. This uncertainty was influenced by concerns about representation, belonging, service delivery requirements and the associated costs.

C. Democratic outcomes

In terms of the democratic outcomes, most of the empirical studies on amalgamations indicate a negative impact on democracy because of municipal amalgamations. Only two studies were exceptional: Spicer (2012) shows that positive outcomes in Hamilton (Ontario) were experienced where councillors from amalgamated municipalities vote together. Similarly, for Steiner and Kaiser (2017), no negative impacts on local democracy in Switzerland were found post the amalgamation. In contrast, Lassen and Serritzlew (2011) who used survey data collected before and after amalgamation found that in Denmark, municipal size had an impact on citizens' political participation which declined with an increase of municipal size after the amalgamation.

Similarly, in Saxony (Germany) a study by Roesel (2017) shows that mergers decreased the number of candidates and voter turnout in the district elections, while also reducing the level of expenditure in the district and the quality of local democracy. Perhaps it is in these circumstances that Mabuchi (2001) argues that amalgamations result in the loss of residents' identity, the destruction of community relationships and a decline of democratic control over municipal government. Mabuchi (2001) adds that the smaller a council is, the more influence residents have on public policy. For instance, Mabuchi (2001) emphasizes that the influence of a resident from a village of 5000 is likely to be ten times as strong as that of a resident in a city of 50 000 residents. However, Allan (2003) calls this a false trade-off seeing that there has been no empirical evidence demonstrating a trade-off between size and democracy. Since Allan (2003) focuses on the Australian context, more specifically from his suburb, Balmain, it is possible that his argument is based on that particular context. The studies from Denmark by Lassen and Serritzlew (2011) and Germany by Roesel (2017) clearly show evidence which refutes Allan's (2003) argument.

2.3 Conceptual Framework

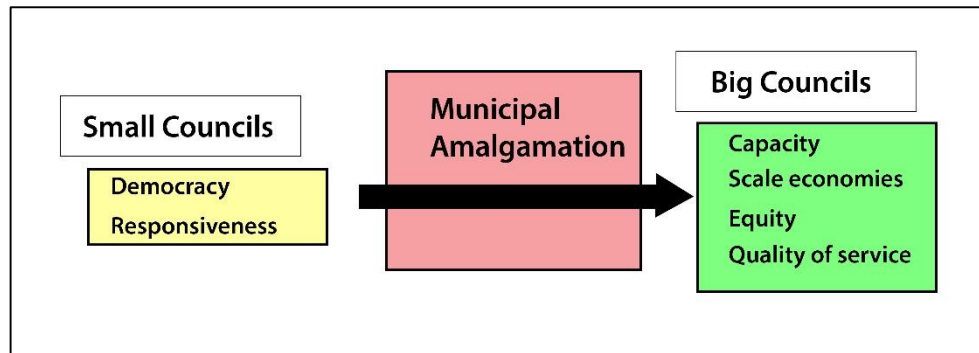


Figure 3: Conceptual framework depicting apparent benefits of municipal amalgamations or retaining of smaller municipalities

As shown in this literature chapter, municipal amalgamations do not happen in a vacuum. They are undertaken to achieve expectations such as economies of scale, equity, democracy and lower per capita spending. The diagram above (figure 3) presents the conceptual framework which illustrates the key concepts and expectations of amalgamations. The conceptual framework provides an overview of the concepts and sets the boundaries of the study. It captures and summarises the key arguments and debates of international scholarship. While important for drawing out the main findings of the literature, the conceptual framework has been used to map out the investigative path of the research in the scope of international literature. Essentially, it encourages a better understanding of the report by showing how the concepts and theory are related to each other (Bell, 2010, citing Miles and Huberman, 1994). For instance, the big debate on amalgamation is between big and small councils (governments). The arguments presented in this chapter are based on the concepts illustrated in the framework. For smaller councils, the literature in the chapter has shown that they are preferred for their ability to be more responsive to a smaller population. However, for big councils, the arguments are about the ability to operate efficiently at a big scale, to distribute 'quality' services and resources in an equitable manner.

2.4 Conclusions

The crux of this chapter entails a debate between big and small municipalities which captures arguments from an equity, capacity, efficiency and economic aspect. As shown, the arguments for amalgamations are based on the view that bigger municipalities are more positioned to govern citizens in respect of offering services at cheaper costs and distributing them to people more equitably. Authors such as Mabuchi (2001) and Swianiewicz (2010) have argued that through amalgamations, duplication is reduced, and roles are more defined in the absence of fragmentation. Denters *et al* (2014) have also stated that economic efficiency and managerial effectiveness can be expected through amalgamations. From an equity standpoint, the argument is that bigger local government can ameliorate inequalities in service provision through fair distribution of resources generated unevenly from richer and poorer areas (Todes and Watson, 1985, citing Jones and O'Donnell, 1980). It has also been mentioned that small municipalities perpetuate the principle of fragmentation due to multiple decision avenues, competition and different provision of services. It has thus been argued that there has been no empirical evidence which supports the claims for amalgamation. In this regard, authors such as Allan (2003) have preferred smaller municipalities in the view that they are more responsive to local issues and therefore more competitive.

In exploring the outcomes of amalgamations, it appears that the benefits of amalgamation are quite marginal and questionable. The main outcomes show that amalgamations are associated with higher expenditures and possible diseconomies of scale.

Chapter three - The local government context of City of Tshwane and Kungwini

3.1 Introduction

This chapter focuses on the local government context of City of Tshwane and the former Kungwini local municipality. First, it expands on the issue of capacity in local government as this is an important concept which plays a huge role in the functioning of South African local government. The chapter then continues to provide background information on the two municipalities by focusing on the social-economic aspects.

3.2 Local government capacity

In local government capacity is viewed as the ability to perform the constitutional functions as assigned to all municipality in South Africa. According to the Department of Cooperative Governance (2014, cited in Siddle and Koelble, 2016), only one third of the municipalities in South Africa are adequately performing; another third is merely coping while the remaining are dysfunctional. The inability to perform these functions has largely been attributed to municipal incapacity. This is a broad concept which involves other key aspects such as financial capacity, administrative capacity, and institutional capacity. Financial capacity refers to the ability to use and manage one's financial resources adequately and, in a manner, consistent with given goals without going over the set budget. Administrative capacity refers to the qualified staff that would enable the municipality or organization to carry out their given tasks accordingly as required. Institutional capacity as defined by the Municipal Demarcation Board (2018) refers to the potential and competency found within the municipality, which includes human resource, financial resource, governance, physical resources, leadership, planning, performance management and partnerships.

According to Ndletyana and Muzondidya (2009, cited from Scheepers, 2015), the concept of capacity is multi-faceted since it includes financial resources, human capital and social capital. A Financial and Fiscal Commission (FFC) technical report has raised an interesting point on capacity noting that it is important not to confuse and attribute every municipal performance failure to a 'lack of capacity' (FFC, 2012). The report explains that this leads to a situation where issues of mismanagement, corruption and lack of competence are mistaken for a lack of capacity (National Treasury, 2009, cited in Financial and Fiscal Commission, 2012). Koma (2010) describes capacity as having access to resources and knowledge which enable local government to implement policies and deliver public services. Lack of capacity would, therefore, refer to the difficulty of attaining resources and adequate knowledge to implement policies and deliver public services.

According to Republic of South Africa (1998, cited in Marais, 2003), capacity can be explained as the administrative ability of managers, and the infrastructure of a municipality that enable a municipality to collect revenue and use it to manage its jurisdiction and the affairs of municipal inhabitants independently. It is the ability to perform responsibilities in an efficient and sustainable manner without relying much on intergovernmental funds and grants (Grindle and Hildebrand, 1995, cited in Marais, 2003). This means that service delivery should be sustainable, efficient and effective. Sometimes inefficiency within municipalities may result in the delays of processing documents, land use applications and tax collection may take longer than necessary. Incapacitated municipalities may also be faced with inadequate financial management, poor service delivery and corruption (Siddle and Koelble, 2016).

According to the Financial and Fiscal Commission (2014), it is important to first understand the strengths and weaknesses of a municipality in order to be aware of the level of assistance the municipality requires. The Development Bank of Southern Africa (2011) distinguishes between two types of dysfunctional municipalities which would be considered weak: structurally dysfunctional and systemically dysfunctional municipalities (Development Bank of Southern Africa (DBSA), 2011, cited in Financial and Fiscal Commission, 2014).

The DBSA considers structurally dysfunctional municipalities as structures that are under-performing while systemically dysfunctional municipalities are those which require intervention to sustain their ability to deliver services due to their low base of resources (DBSA, 2011). Without adequate administrative capacity, developmental tasks are usually difficult to achieve in these types of municipalities. A more dedicated approach to increasing skilled staff that can think critically about more improved methods of delivering good quality services is needed (Financial and Fiscal Commission, 2009). Poor recruitment practices and political interference in the appointment and dismissal of employees has been a common trend which has placed a lot of strain on municipalities. There have been some attempts to address the issue of municipal incapacity through capacity building programmes. These programmes were aimed at improving the capacity of local government to deliver services. For instance, the introduction of 'Project Consolidate' in the year 2004 and the 'Local government Turn-around Strategy'. However, sceptics doubted these programmes, and both have failed to improve the functionality of efficient and effective developmental local government.

Many programmes have come and gone all in an effort to fix issues of local government. Apart from the capacity problems which have already been addressed above, local government still faces several other problems which need to be solved. Huge service backlogs, poor community participation and engagement, corruption, and poor financial management are some of the many problems which are currently plaguing local government. The following section presents the contexts of both the City of Tshwane metropolitan municipality and the former Kungwini local municipality. The purpose is to illustrate the characteristics of the two areas as it lends an understanding for why the amalgamation was needed. This section is also important to illustrate the capacity differences between COT and KLM.

3.3 Context

3.3.1 Kungwini local municipality (KLM)

I. Overview

According to the Kungwini local municipality Annual Report (2005), Kungwini was a category B cross-boundary municipality. It was one of two municipalities which was situated within the Metsweding District Municipality before both the entire district municipality was incorporated into the City of Tshwane Metropolitan Municipality. The Metsweding district was established as a cross boundary municipality which was situated between Gauteng and Mpumalanga province. It was a category C municipality, established on the 5th of December 2000 - its other category B municipality was called Nokeng Tsa Taemane. Kungwini local municipality was established in September 2000 and disestablished in 2011 along with its district municipality. The entire district was situated on the north-eastern section of Gauteng, adjacent to the City of Tshwane and Ekurhuleni metropolitan municipalities.

II. Geography and Demographics

The area of Kungwini covered about 2, 109 km^2 , which is equivalent to 51.9% of the total area of its district (KLM, 2005). Its population was estimated to be approximately 139 600 in 2008, with a population density that was 51 people per km^2 . Kungwini was structured into three regions, namely: Kungwini Central, Kungwini West and Kungwini North-West. Kungwini Central included the areas of Bronkhorstspuit (which used to be the political seat of Kungwini), Cultural Park, Riamar Park, Zithobeni and Sokhulum, Bronberg and Elandsriver. The Central and north-west area comprised Ekangala which was neighboured by Ekandustria. To the west were areas such as Cullinan, Mooiplaas, Mooikloof, Silver Lakes, Shere and Doornkloof. The north-west section comprised Ekangala, Rethabiseng, and Sehlakwana. The map below (figure 4 and 5) shows the geographical location of the former Kungwini local municipality in relation to other municipalities.

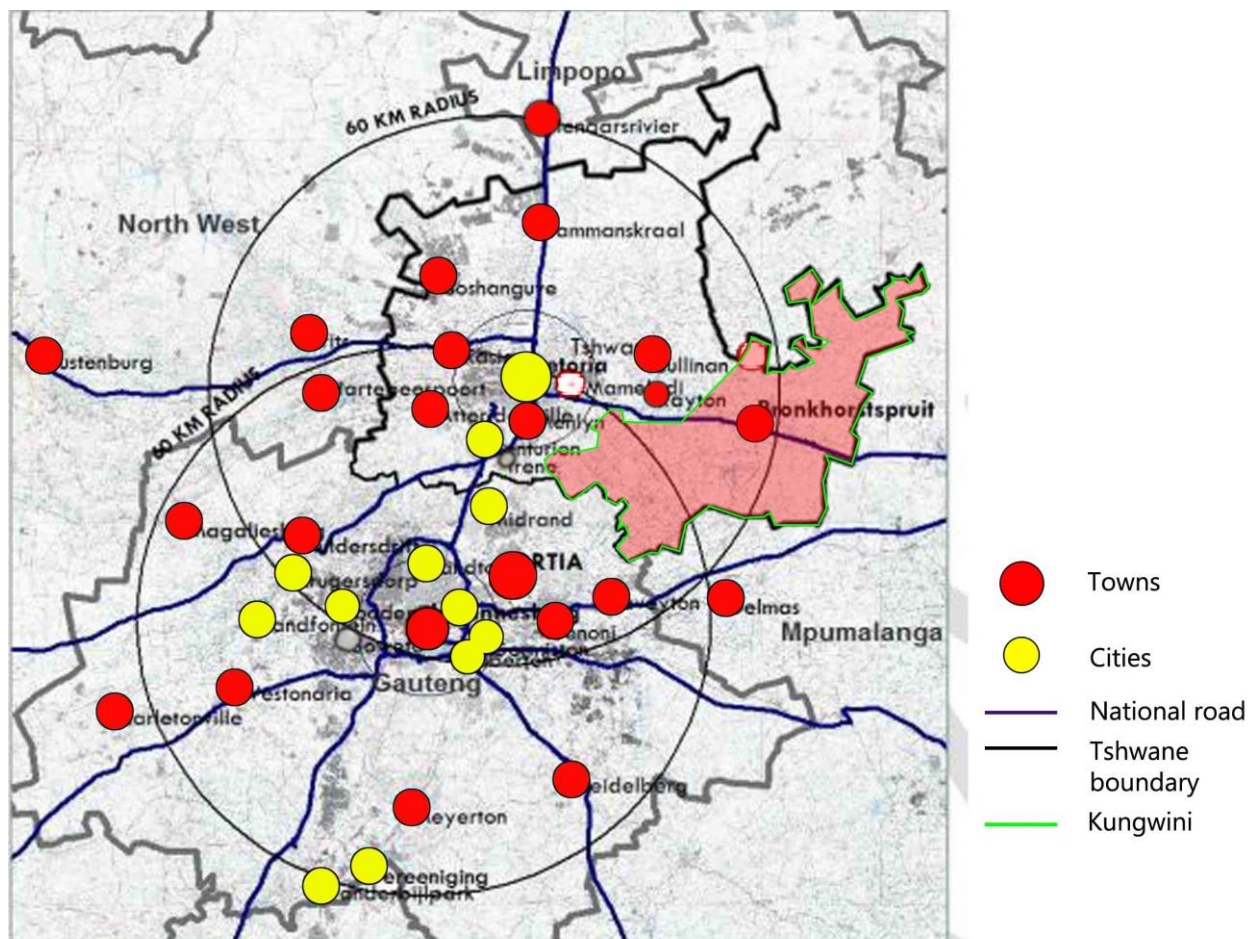


Figure 4: Kungwini situational map (Source: COT, 2013)

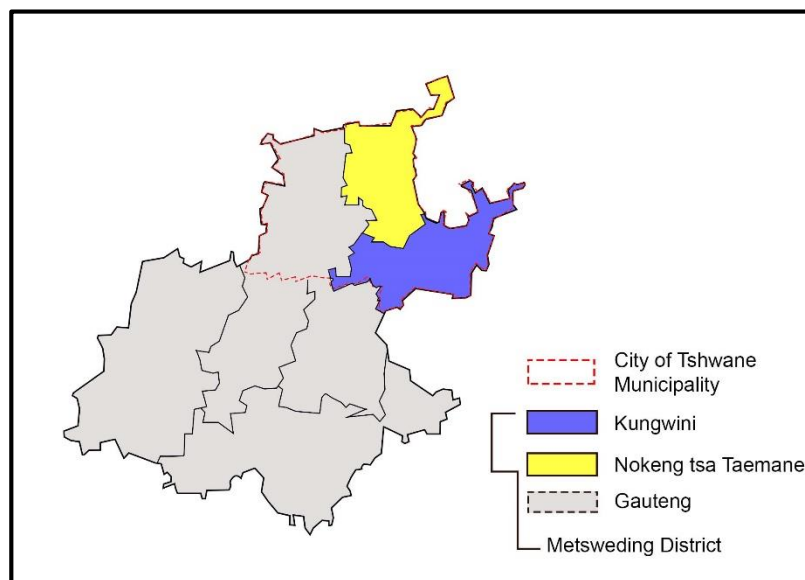


Figure 5: Kungwini's geographical location within a provincial context

Due to lack of data on Kungwini, the most readily available information is provided by the Statistics South Africa Community Survey data of 2007. The tables below illustrate the population groups which existed in Kungwini in the year 2007. These are provided in the Kungwini IDP of 2011 using the data provided by Statistics South Africa Community Survey (KLM, 2011). However, there were some inconsistencies that I have cited in their percentages especially for the White and Indian/Asian population group. For comparison, I have juxtaposed two tables to illustrate the differences⁴. Table 2 and table 3 shows the figures provided by Kungwini.

III. Economy

A. Employment

- B. The 2005 Kungwini report provides some contextual information of the municipality using census data from 2001. According to the KLM report (2005), in 2001, only 52% of the total population of the municipality was seen as economically active. However, according to the (KLM, 2011, citing Statistics South Africa, 2007, this economically active group decreased to 45% in 2007). It is not stated what the employment percentage of this group was in 2001, however, it peaked at 80% in 2007 (KLM, 2011, citing Statistics South Africa, 2007).

Table 2: Population of former Kungwini local municipality (source: KLM, 2013)

Population Group	Number of people	Percentage %
Black	106 832	86.34%
Coloured	1 652	1.34%
Indian or Asian	304	0.25%
White	14 940	12.10%
Ground Total	123 728	100%

Table 3: Population group figures for Kungwini local municipality (source: KLM, 2011)

Population Group	Number of people	Percentage (%)
Black	106 832	84.04
Coloured	1 652	0.26
Indian or Asian	304	14.12
White	14 940	1.58
Grand Total	123 728	100

⁴ The comparison is mainly to highlight the lack of competence in the municipality and its failure to pay attention to detail.

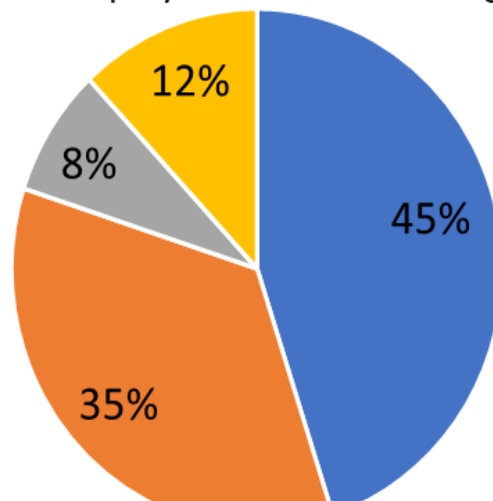


Figure 6: Gender employment status in Kungwini

The chart above (figure 6) depicts employment status by gender groupings. It shows that in the whole of Kungwini, males had higher levels of employment than females.

C. Occupation

This section observes the economic occupation of the working population in Kungwini. The following table shows worker occupations in Kungwini in the year 2007. Table 4 shows that there is a high proportion of unskilled workers and those in unclassified positions which when combined make up at least 40%. Elementary occupations may often consist of simple tasks which require hand-held tools. The figures for professionals, legislators, senior officials and technicians are much smaller compared to the elementary occupations.

This could suggest that only a few workers were qualified to be in such occupations and that could also mean that a few workers had higher paying jobs due to their qualifications and education background. It also indicates that these were the most available jobs in the municipality, although some people might have been commuting to work elsewhere.

Table 4: Occupation types in Kungwini (source: KLM, 2011; citing Statistics South Africa Community Survey, 2007)

Occupation	% in KLM
Legislators; senior officials and managers	9.63
Professionals	7.51
Technicians and associate professionals	4.02
Clerks	4.17
Service workers; shop and market sales workers	5.3
Skilled agricultural and fishery workers	7.5
Craft and related trades workers	12.25
Plant and machine operators and assemblers	11.01
Elementary occupations	18.84
Occupations unspecified and not elsewhere classified	19.78
Grand Total	100

D. Income categories

When observing the income levels of the economically active population in Kungwini, it is indicated that approximately 43% of people did not earn any income (KLM, 2011). However, the Metsweding report (2010), which draws from the 2001 statistics, shows a contrasting result of 15.1% of the economically active population which earns from R1 to R400 per month. This result also differs significantly from the population which earns between R401 – R800. This suggests some error in the way these figures are presented. As shown in table 5, there is an approximate combined 40% of people who earned between R401 to R3 200, while only about 16% of people in the economically active population fell into the R6 400 and above income groups. This group possibly comprised people who were in upper occupations such as a technician, service worker, legislators and professionals. This group was perhaps more well-rounded in education since they earn more than people who earn in the R3 200 and below income categories. These people would have possibly belonged to the elementary occupations.

Table 5: Income categories (KLM, 2011, citing Statistics South Africa Community Survey, 2007)

Income category per month	% in KLM
No income	42.98
R1 - R400	3.86
R401 - R800	8.54
R801 - R1 600	18.18
R1 601 - R3 200	10.34
R3 201 - R6 400	6.69
R6 401 - R12 800	5.03
R12 801 - and above	4.37
Grand Total	100

E. Economic sectors

The table below reflects the gross value added of the economic sectors in Kungwini as a measure of the contribution to the gross domestic product in the municipality. According to KLM (2011), Kungwini's economic sector for the years 2007 and 2008 was dominated by the manufacturing sector, followed by the finance and community service sector. The table below (table 6) illustrates the percentage of each sector's share in the municipality's economy. Using the occupations data, it can be anticipated that the majority of workers came from those sectors which had the highest contribution to the municipality's economy.

Table 6: Economic sector share (source: KLM, 2011)

Economic sector	% of sector's share in the municipal economy (GVA)	
	2007	2008
Agriculture	8.5	8.2
Mining	2.6	3.8
Manufacturing	22.4	24
Electricity	1.3	1.4
Construction	4.1	4.5
Trade	12.5	11.9
Transport	7.3	6.9
Financial	18.6	18.2
Community services	22.7	21.1
Grand Total	100	100

F. Overall economic discussion

In a Spatial Development Framework of 2013 prepared by Metroplan for the city of Tshwane municipality, a study focusing in Kungwini, particularly Bronkhorstspuit, provides a situational analysis focusing on the economy and other aspects (COT, 2013). It is stated that the main economic drivers in the former KLM were manufacturing and financial services. This would make sense as these sectors were the most contributing sectors to the GVA of KLM as shown in table 6 above. COT (2013) notes that the economic activity coming from these two sectors were contributing approximately 26.4% and 23.1% to Kungwini's economy respectively. This information is provided using data collected in 2011.

It is noted that Kungwini's local market area demonstrated quite a diverse economy which was mostly dominated by the tertiary sector activities contributing approximately 62.8% to the economy (COT, 2013). It did however, received a strong backing from the secondary sector (25.6%), particularly the manufacturing services. The manufacturing industry was and is still being seen as one of the most important industry in Kungwini (COT, 2013). This industry provided opportunities such as investment, employment and start-up opportunities for entrepreneurs to enter business ventures. Most manufacturing and distribution related companies were located in the Bronkhorstspuit light industrial area which was north-west of Bronkhorstspuit. Some were also located in Ekandustria, which was regarded as an important area for industrial work since it was initially developed as an 'Industrial Decentralization Programme' in the 1980s (COT, 2013).

According to COT (2013), following the manufacturing sector, the wholesale and retail sector were also big contributors to the KLM economy. These were followed by the community and social services sector. There was some expansion in the trade and lodging services, however, this contribution was not so significant as the gross value added (GVA) from these services was only 4.3% between 2010 and 2011 (COT, 2013). Mining and agriculture were the least contributors to the economy, even in terms of employment. These sectors have seen the biggest decrease in contribution since 2001. It is noted that the mining sector is quite limited, however, sizable existing and proposed mining activities were mostly within region five. Some of the mining activities were sand, clay and gravel excavation (COT, 2013). Despite the availability of fertile agricultural soils in Kungwini, there was also a recorded decrease in GVA contribution from the agricultural sector (COT, 2013).

Bronkhorstspuit comprises of commercial farming areas which are responsible for the bulk agricultural production of the whole municipality (COT, 2013). The farming commodities that are most prominent from these farms are dry land crops such as maize, sunflowers, groundnuts, cotton and sorghum. Fruits and vegetables from small farm holdings are also equally important (COT, 2013). These small-scale farms are usually located in and around some residential areas within Kungwini. Small scale farmers usually produce fruits and vegetables which are often sold in the informal market (COT, 2013). This is often regarded as a business initiative for entrepreneurs running small businesses in the area. Despite its potential, the agriculture sector has made insignificant contributions to the economy of the former KLM. The tourism sector also has a potential to grow and develop, however, it is also made insignificant contributions to the economy of Kungwini. There are some resources and infrastructure which is available to encourage this development. For instance, the presence of the Bronkhorstsbraai site which is located in the northern shore of Bronkhorstspuit Dam (COT, 2013). It offers water sports such as canoeing, as well as caravanning and camping. There is also a Nature Reserve situated to the south of the dam. It is known for its famous native birds, mainly the pink-billed lark. The existence of the Nan Hua Buddhist Temple and the Skosana Nature Reserve are additional resources which serve as attraction sites and growth strategies for the tourism sector in the former KLM (COT, 2013).

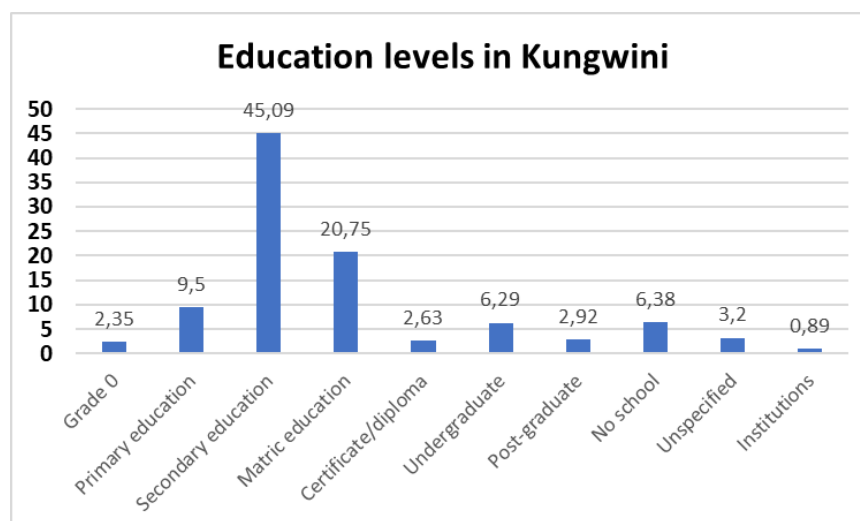
In Ekandustria, the availability of approximately 88 businesses ranging from small businesses to large factories helped create a strong economy in Kungwini (COT, 2013). However, post 1994, some of these businesses closed down and some relocated due to labour unrest and bad economic climate which led to production problems (COT, 2013). The leading manufacturing sectors in Ekandustria included food, beverages and tobacco, which made up 15% of the manufacturing sector. Chemicals, plastics and pharmaceuticals also made up 15%, while textiles, clothing and leather products contributed 13% to this sector. Other important but less contributing services included transport and logistics (9%) and lastly furniture and business services (3%).

IV. Education

According to KLM (2011), Kungwini had 66 schools at the time, which included primary and secondary schools, comprehensive and combined schools. The municipal area also included four libraries, each located in Rethabiseng, Zithobeni, Ekangala and Bronkhorstspuit. The graph below (figure 7) illustrates the levels of education amongst the economically active group in Kungwini.

It shows that more than 45% of this group had some secondary education, followed by 20.75% who had completed matric. Just over 10% of the economically active group received any education after matric.

Figure 7: Level of education within economically active group (Statistics South Africa, 2007, cited in KLM, 2011)



V. Housing and household conditions

According to the COT (2011, citing Metsweding District Municipality, 2010), there were 43 150 households in Kungwini. According to KLM (2011) there were 23 informal settlements in Kungwini with approximately 9000 shack structures which make up 19.4% of dwellings in Kungwini. The 74.7% are formal dwellings structures which are provided by the market and by the public sector (MDM, 2010; KLM, 2011). Areas like Bronkhorstspuit, Silver Lakes and Mooikloof mostly comprised houses produced by the private sector, while townships like Zithobeni, Ekangala and Rethabiseng consisted largely of low-cost houses provided by both the public and private sector. It can be expected that groups with lower incomes lived in the publicly funded houses in these areas, while professionals, technicians and managers were probably living in more upmarket residential areas such as Silver Lakes, Mooikloof and Bronkhorstspuit. This is information retrieved from the Statistics South Africa 2007 data, which means that since the amalgamation, some data may have changed. However, some of the more affluent areas such as Silver Lakes are still better off even after the amalgamation. Kungwini's housing typology comprised about 59.62% of dwellings which were made from brick structures situated on separate stands, while 2% were flats, and less than 1% were cluster and semi-detached units (KLM, 2011). There were also traditional dwellings which made up 3% of the housing typology. An additional 15% of dwellings were freestanding informal structures, and 4% were backyard informal units. The table below shows the housing typologies which were existing in Kungwini.

Table 7: Housing typology in Kungwini (KLM, 2011, citing Statistics South Africa Community survey, 2007)

Type of dwelling	Percentage
House or brick structure on a separate stand or yard	59.62
Traditional dwelling/hut/structure made of traditional materials	3.37
Flat in block or flats	2.01
Town/cluster/semi-detached house (simplex: duplex: triplex)	0.54
House/flat/room in backyard	9.92
Informal dwelling/shack in backyard	4.16
Informal dwelling/shack not in backyard e.g. in an informal/squatter settlement	15.28
Room/flat not in backyard but on a shared property	2.59
Caravan or tent	0.18
Private ship/boat	-
Workers' hostel (bedroom)	1.97
Other	0.36
Grand Total	100

VI. Electricity and household access to water

According to KLM (2011) the service backlog for electrification in the former KLM was estimated at R200 million in the year 2007. 71.5% of Kungwini's population relied on electricity for their basic needs, while 10% utilised paraffin, and 4.9% and 5.6% used wood and coal respectively. The majority of the population that lives in informal settlements did not have access to electricity, and thus relied on other forms of energy to cook, heat and light such as paraffin and other forms of biomass energy

Access to basic services was a major issue in the former KLM. It is stated that this was further exacerbated by the presence of the numerous informal settlements located in the municipality (KLM, 2011). According to the KLM (2011), some 23 000 people lived in informal settlements in 2007. The provision of services to informal settlements is always problematic due to a lack of infrastructure and proper planning which make it difficult to install services. In addition, the provision of services to informal settlements means that there would be no cost recovery since people living in these areas are often too poor to pay for them (KLM, 2011). Providing water as part of the basic service delivery was also a problem in the former KLM. Table 8 illustrates the household access to water within Kungwini. The data in the table was captured using data from the Department of Water Affairs, Community survey of 2009 and data from Kungwini local municipality and shows variations from 59% to 92% with access to water.

Table 8: Household access to water in Kungwini (KLM, 2011)

	Total number of households	Households with access to water	Percentage	Households without access to water	Percentage
Community survey	31 666	27 281	86.2%	4 385	13.8%
Department of Water Affairs	43 150	39 771	92.2%	3 378	7.8%
Municipalities	31 664	18 599	58.7%	13 065	41.3%

VII. Access to sanitation

The KLM (2011) reports that the municipality had about six sewerage plants available which needed to be upgraded in order to adequately respond to the development pressures in the area. It is stated that the increasing dwellings units and the need for improved infrastructure places a pressure on delivering sanitation services. Listed below are the six waste-water treatment plants (WWTP) in the municipality:

- Bronkhorstspuit WWTP
- Rethabiseng (Ponds)
- Summer Place WWTP
- Silverlakes WWTP
- Ekangala (Ponds)
- Dark City, Ekangala (Package plants)

The KLM (2011) states that there are several areas which have been identified as areas which need urgent servicing in sanitation services. In Ekangala includes, most houses use pit latrines that are not connected to the reticulation system.

The ponds which serviced Ekangala was not suited well enough to adequately service the area. Bronkhorstsbraai also needed better sanitation provision. Rethabiseng ponds which serviced areas in Rethabiseng was deemed as inefficient to service the area. Silverlakes was discharging its sewerage down into the Tshwane sewer lines, which means that it was serviced by Tshwane. Most rural areas were using pit latrines or chemical toilets which were supplied by former KLM. However, these systems are not sustainable and can pose dangerous hazards if not maintained consistently and properly.

Table 9: Household access to sanitation (KLM, 2011)

	Total number of households	Households with access to sanitation	Households access to sanitation as percentage	Households below basic level of services/backlog	Households below basic level of service/backlog as percentage
Community survey	31 666	19 102	60.3%	12 563	39.7%
Department of Water Affairs	43 150	29 013	67.2%	14 137	32.8%
Municipalities	31 664	20 864	65.9%	10 800	34.1%

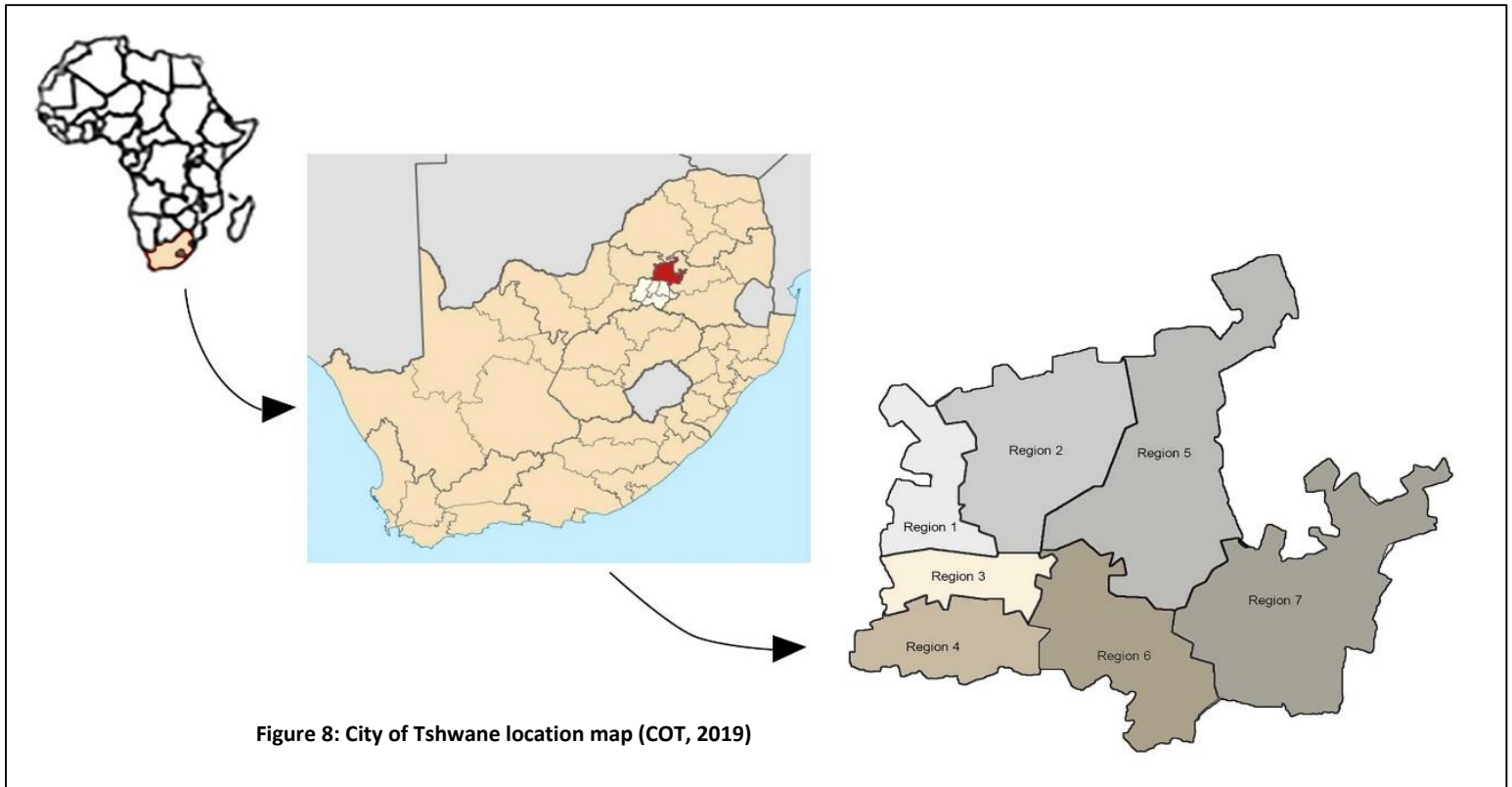
According to KLM (2011), over 60% of its population had access to sanitation facilities while the households which do not have this service range between 32.8% and 39.7% depending on the source. Table 9 shows different figures from various sources. The overview provided on the Kungwini local municipality provides a contextual background of the Kungwini. It paints an image depicting an area which faced socio-economic problems as portrayed by the low levels of education, high percentage of people without incomes and the percentage of households which did not have access to water and other services. The following section will also provide an overview of Tshwane as a means to uncover how it performed in the socio-economic aspect and this can perhaps, in juxtaposition, illustrate the strengths of Tshwane relative to Kungwini. It will also provide an idea of why Tshwane was seen as an appropriate municipality to amalgamate with Kungwini.

3.3.2 City of Tshwane metropolitan municipality

I. Geography and Demographics

The City of Tshwane Metropolitan Municipality is one of the biggest metropolitan municipalities in Africa, with its new geographical area accounting for $6,345\text{km}^2$ since the recent 2011 amalgamations. Its total population according to COT (2019) is just over 3, 3 million residents.

City of Tshwane is bordered by the Limpopo province to the north, Mpumalanga to the east, City of Johannesburg directly South, Ekurhuleni municipality to the south east and North West province to the west. It is located within the Gauteng province, covering at least 39% area of the province (COT, 2011). As shown by the map below (figure 8), City of Tshwane municipality comprises seven regions in total including the recently incorporated municipality, Kungwini, which is located in region seven.



The population of City of Tshwane in 2007 was over 2 million, growing to 3 million in 2017 with an increase of 2.9 % annual growth rate. This growth was also attributable to the incorporation of KLM's population. Table 10 shows Tshwane's total population by regions. Region seven, which includes the old Kungwini area shows a population of 109 000 and 125 000 in 2012 and 2017 respectively. It must be noted that figures are not completely accurate since Kungwini's population was estimated at around 123 728 and the entire region had 114 224 people according to the 2011 census data cited in the city of Tshwane IDP for 2016 (COT, 2011).

Table 11 illustrates age by population groups and gender. According to the COT (2019) the working population categorised by ages 20 to 49 accounts for over 1,2 million of the total population. The table also shows that the African population makes up at least 2,61 million of the total population.

Table 10: Total population by regions COT (2019)

	2007	2012	2017	Average annual growth
REGION 1	720 000	818 000	908 000	2,35%
REGION 2	306 000	340 000	376 000	2,08%
REGION 3	475 000	550 000	610 000	2,54%
REGION 4	288 000	387 000	468 000	4,98%
REGION 5	72 400	90 200	104 000	3,71%
REGION 6	523 000	628 000	715 000	3,18%
REGION 7	94 900	109 000	125 000	2,80%
CITY OF TSHWANE	2 478 557	2 921 997	3 306 198	2,92%

Table 11: Population group, age and gender (COT, 2019)

Age	African Female	Male	White Female	Male	Coloured Female	Male	Asian Female	Male
00-04	127000	125000	16200	17300	2790	2900	2270	2320
05-09	117000	114000	18000	19100	2630	2530	2180	2340
10-14	96600	95300	17500	18700	2520	2690	2020	2180
15-19	88900	85500	17600	17700	2540	2580	2010	2080
20-24	113000	108000	19800	20100	3010	2970	2040	2110
25-29	137000	137000	18000	19000	3200	2940	2080	2560
30-34	144000	143000	17500	18000	3240	2920	2440	3110
35-39	127000	131000	18700	18000	3170	2840	3060	3580
40-44	93200	98500	19700	18900	2810	2710	3240	3320
45-49	69100	74500	21400	19300	2520	2240	2220	2830
50-54	55200	58700	20700	19000	2060	1780	1600	1920
55-59	44500	45600	18600	17300	1720	1380	1350	1200
60-64	36300	35000	16200	13900	1230	1090	1110	930
65-69	26400	25800	15800	12400	871	728	919	813
70-74	15500	14900	13900	10500	567	403	638	516
75+	16300	11300	22900	14100	522	395	709	400
TOTAL	1307000	1303100	292500	273300	35400	33096	29886	32209

II. Economy

According to COT (2019), Tshwane is the fourth biggest contributing municipality to the South Africa's gross domestic product and the second contributor in the Gauteng province with a value of R313 billion. In 2017, City of Tshwane contributed approximately 28.4% to the Gauteng gross domestic product. This indicates a very strong and diverse economy from the metropolitan municipality.

A. Employment and economic sectors

Observing the level of employment in City of Tshwane in comparison to Gauteng and the country, table 12 shows that in 2017, total employment was 1.22 million. The average annual growth rate from 2007 to 2017 was 2.62% (COT, 2019). This employment figure may also include the population of the former Kungwini local municipality, as well as Nokeng tsa Taemane.

Table 12: City of Tshwane's total employment (COT, 2019)

	CITY OF TSHWANE	GAUTENG	NATIONAL TOTAL
2007	945 000	4 090 000	13 500 000
2008	996 000	4 320 000	14 100 000
2009	1 000 000	4 350 000	14 000 000
2010	986 000	4 290 000	13 600 000
2011	1 010 000	4 370 000	13 800 000
2012	1 050 000	4 500 000	14 000 000
2013	1 090 000	4 640 000	14 500 000
2014	1 120 000	4 770 000	15 100 000
2015	1 160 000	4 850 000	15 500 000
2016	1 190 000	4 890 000	15 700 000
2017	1 220 000	4 990 000	15 900 000
AVERAGE ANNUAL GROWTH			
2007-2017	2,62%	2,01%	1,61%

Table 13 shows City of Tshwane's employment by sector in 2017 compared to Gauteng's metropolitan municipalities. For City of Tshwane, the largest sector in terms of employment is community services which employed 290 000 people in the municipality. This is followed by the finance sector, trade and manufacturing which all employ above 100 000 people by 2017.

Table 13: Total employment by economic sector (COT, 2019)

	CITY OF TSHWANE	EKURHULENI	CITY OF JOHANNESBURG	SEDIBENG	WEST RAND	TOTAL GAUTENG
AGRICULTURE	12 300	9 700	14 300	2 560	4 100	42 985
MINING	47 600	8 070	17 000	9 640	4 130	86 381
MANUFACTURING	119 000	153 000	244 000	43 400	40 500	600 149
ELECTRICITY	5 570	63 130	10 600	1 440	1 190	24 925
CONSTRUCTION	81 600	81 200	136 000	15 200	19 100	333 579
TRADE	240 000	257 000	438 000	46 300	61 200	104 288
TRANSPORT	75 100	90 200	130 000	13 200	20 300	328 870
FINANCE	269 000	289 000	559 000	37 400	55 100	1 209 073
COMMUNITY SERVICES	290 000	225 000	361 000	38 800	48 300	962 857
HOUSEHOLDS	83 000	79 600	169 000	15 100	16 300	362 872
TOTAL	1 220 000	1 200 000	2 080 000	223 000	270 000	4 993 979

Observing the same economic sectors, COT (2019) presents information on formal and informal employment. From Table 14, it is evident that that the highest number of employments comes from the community service sector in the formal sector; trade has the largest number employment in the informal sector employing about 67, 400 people by the year 2017 (COT, 2019).

Table 14: Formal and informal sector employment (COT, 2019)

	FORMAL EMPLOYMENT	INFORMAL EMPLOYMENT
AGRICULTURE	12 300	N/A
MINING	47 600	N/A
MANUFACTURING	108 000	11 000
ELECTRICITY	5 570	N/A
CONSTRUCTION	55 700	25 900
TRADE	172 000	67 400
TRANSPORT	59 700	15 400
FINANCE	253 000	16 000
COMMUNITY SERVICES	260 000	30 200
HOUSEHOLDS	83 000	N/A

III. Education

Table 15 shows the levels of education in COT in 2017, indicating that 802 000 people had completed matric by the year 2017. An additional 430,000 had matric qualification while 109 000 further went to attain a postgraduate degree. Lastly, about 78 800 people have not attended school in the municipality.

Table 15: Education levels in COT (COT, 2019)

	City of Tshwane	Gauteng	National (Total)	City of Tshwane (% of province)	City of Tshwane (% of national)
No School	78 800	280 000	2 360 000	28.14	3.34
Grade 0 -2	22 100	101 000	702 000	21.88	3.15
Grade 3 - 6	111 000	506 000	3 170 000	21.94	3.50
Grade 7 - 9	256 000	1 230 000	6 060 000	20.81	4.22
Grade 10 - 11	457 000	2 180 000	8 270 000	20.96	5.53
Certification/diploma without matric	14 600	58 200	192 000	25.09	7.60
Matric only	802 000	3 300 000	10 400 000	24.30	7.71
Matric certificate (diploma)	226 000	753 000	2 150 000	30.01	10.51
Matric (Bachelor)	201 000	612 000	1 520 000	32.84	13.22
Matric postgraduate degree	109 000	314 000	722 000	34.71	15.10

Table 16 shows levels of literacy in COT - the number of people who are 20 years old and above and have completed their primary school education (grade seven).

Table 16: Literacy levels in COT (COT, 2019)

Year	Illiterate	Literate	Percentage
2007	252 409	1 613 844	86.5
2008	243 066	1 682 616	87.4
2009	233 209	1 761 400	88.3
2010	221 241	1 846 454	89.3
2011	212 995	1 927 365	90
2012	210 612	1 997 786	90.5
2013	211 582	2 061 423	90.7
2014	213 886	2 118 032	90.8
2015	219 529	2 165 873	90.8
2016	219 862	2 220 251	91
2017	224 059	2 272 092	91
Average annual growth			
2007-2017	-1.18%	3.48%	0.51%

In 2017, over 50% of Tshwane's total population were literate, and the average annual growth of literacy has been approximately 3.48% since 2007. In comparison, the illiteracy levels have been declining by -1.18% per annum over this period. The total number of illiterate people in the municipality was 224 059 – approximately 7% of the total population.

IV. Housing

According to COT (2019), 61% of COT's dwellings were 'very formal', and another 19% were formal. Very formal dwelling according to COT (2019) refers to structures built according to approved plans such as town houses, houses on separate stands with running water and flush toilets within the dwelling. Formal dwelling is similar to the above but without running water and flush toilets within the dwelling. Informal dwelling units make 18% of the total units in COT (Table 16). It must be noted that these figures also include the recent amalgamations, therefore they are not exclusive of Kungwini's households – this would probably be reflected in region 7 of table 16.

Table 17 shows dwelling type by region, looking at the informal types of dwellings where region one and six make up close to 50% of the municipality's informal dwellings. We can expect market-driven houses to exist in regions one, three and six since they comprise high numbers of 'very formal' dwellings in the municipality. Regions comprising areas such as Centurion, Menlyn, Irene, Silver Lakes would have more formal dwellings while areas such as Cullinan, Soshanguve, Ga-Rankuwa and Rayton would have a mixture of formal, informal and tradition types of dwellings. For region seven, it is shown that it has the second lowest number of very formal and formal dwellings. It also has the lowest number of informal dwellings while being the second region with the second lowest number traditional dwellings. This may be attributed to its economy and also smaller population compared to other regions.

Table 17: Types of dwelling by region (COT, 2019)

Region	Very formal	Formal	Informal	Traditional	Other dwelling type	Total
Region 1	143 000	70 500	42 900	361	3 270	260 000
Region 2	26 200	62 700	13 700	451	920	104 000
Region 3	147 000	21 300	29 200	789	2 090	200 000
Region 4	108 000	10 200	36 500	370	4 210	159 000
Region 5	14 300	6 510	9 380	109	378	30 700
Region 6	170 000	15 800	46 800	658	2 470	235 000
Region 7	19 600	10 400	6 580	357	741	37 700
Total (City of Tshwane)	628 100	197 410	185 060	3 095	14 079	1 026 400

V. Electricity

Electricity is one of the most fundamental aspects of development in communities. Based on the type of dwelling, it can be assumed that a majority of communities which live in informal dwellings will have minimum access to no to electricity. According to the COT (2019), about 121 000 households in the municipality have no access to electricity – this makes up at least 65% of the total informal dwellings in COT. There are 33 800 households with electricity for the purposes of lighting only, while 872 000 use this not only for lighting but other uses such as cooking, heating and to run electric based appliances (COT, 2019). This figure can be linked to the regions with very formal housing dwellings with areas such as Centurion, Silver Lakes and Mooikloof as already mentioned. The table below details the regions with households that have electricity and those that do not have electricity along with associated uses (table 18).

Table 18: Electricity by region (COT, 2019)

Region	Electricity for lighting	Electricity for lighting & other purposes	Not using electricity	Total
Region 1	7 030	231 000	22 100	260 000
Region 2	3 800	94 500	5 760	104 000
Region 3	4 390	171 000	24 600	200 000
Region 4	7 660	131 000	20 300	159 000
Region 5	1 380	22 100	7 220	30 700
Region 6	6 760	192 000	36 900	235 000
Region 7	2 740	30 700	4 220	37 700
Total (City of Tshwane)	33 760	872 300	121 100	1 026 400

The type of dwellings section (table 17) has shown that regions one, three, four and six have more formal dwelling types. For this reason, it is to be expected that the same regions would have the highest proportion of households with electricity used for various purposes. Table 18 provides information on the proportion of households with electricity differentiated by the use of lighting only and lighting for other uses. It also displays the proportion of households which do not have access to electricity. This is categorised per region within City of Tshwane. By percentages, region seven has a higher proportion of households with electricity for lighting which makes 7.3% while regions six to one have 2.9%, 4.5%, 5%, 2.2%, 3.7% and 2.7% respectively.

However, region two has the highest proportion of households with electricity for lighting and other uses at 91%, while region one and three to seven percentages are 89%, 86%, 82.4%, 72% and 82% respectively. In terms of households without electricity, region five has the highest proportion of 24%, while region seven, six and four to one are 11.2%, 16%, 12,70%, 12.3%, 6% and 8.5%.

VI. Financial aspect of Tshwane and Kungwini

The following section will compare the financial standing of the two municipalities in terms of their expenditures and revenues. This is to illustrate the financial strength of the municipalities which helps one understand how they compare with each other. This will also paint a brief picture of the municipalities' financial management.

Table 19 below shows the budgeted revenue per category for City of Tshwane from 2018/19 and its estimated revenue for 2020/21 and 2022. The highest budget revenue source for COT in 2018 is the electricity service charge which is approximately R12 billion. This is also the highest budget revenue source for 2019, 2020 and 2021 which is predicted to be around R15 billion. The total budget revenue in 2018 for all revenue sources is R32 billion and the expected total budget revenue for 2021/22 is R40 billion. This revenue data does not include grant funding, however, from COT (2019), the total amount of funding received for the 2019/20 financial year amounts to R7 billion, with R2,6 billion coming from the Local Government Equitable Share.

Table 19: Revenue by source in Tshwane (COT,

Description	Adjusted Budget 2018/19	Budget 2019/20	%	Estimate 2020/21	Estimate 2021/22
Revenue By Source					
Property rates	R7 065 502 389,00	R7 490 492 531,00	6,02%	R7 894 979 128,00	R8 321 308 001,00
Service charges: electricity	R12 010 936 700,00	R13 453 615 502,00	12%	R14 543 358 358,00	15299612993
Service charges: water	R3 971 962 301,00	R4 292 528 095,00	8,07%	R4 636 076 122,00	5002549759
Service charges: sanitation	R1 084 721 347,00	R1 171 499 054,00	8,00%	R1 265 218 979,00	R1 366 436 497,00
Service charges: refuse revenue	R1 592 142 230,00	R1 687 670 762,00	6,00%	R1 778 804 984,00	1874860453
Service charges: other	-	-	-	-	-
Rental of facilities and equipment	R166 789 562,00	R177 159 228,00	6,22%	R198 401 700,00	221148746
Interest earned - external investments	R177 982 585,00	R196 887 427,00	10,62%	R207 701 317,00	219100716
Interest earned - outstanding debtors	R765 521 525,00	R846 790 732,00	10,62%	R906 062 762,00	960425087
Dividends received	-	-	-	-	-
Fines, penalties and forfeits	R315 178 065,00	R334 088 749,00	6,00%	R352 107 942,00	371100170
Licenses and permits	R53 173 651,00	R54 588 090,00	2,66%	R57 645 023,00	60873144
Agency services	-	R1 947 436,00	-	R17 274 222,00	1543652
Transfers recognised - operational	R4 736 593 938,00	R4 726 160 457,00	-0,22%	R4 932 710 310,00	5377954730
Other revenue	R1 049 444 264,00	R1 032 420 372,00	-1,62%	R1 090 227 760,00	1151271930
Gains on disposal of PPE	R1 242 497,00	-	-	-	-
Total revenue (excluding capital transfers and contributions)	R32 991 191 054,00	R35 465 848 435,00	74,38%	R37 880 568 607,00	R40 228 185 878,00

Table 20 shows the budget expenditures of the City in 2018/19 accounting for about R33 billion and increasing approximately by 7.6% in 2019/20. From 2018 to the estimate for 2021, the table shows that Tshwane's budgeted expenditure is higher for employee costs and bulk purchases. The revenue and expenditure data for COT in table 19 and table 20 shows figures for the post-amalgamation period (with Kungwini included) which possibly contributed to the increase in figures.

Table 20: Expenditure by type in Tshwane (COT, 2019)

Description	Adjusted Budget 2018/19	Budget 2019/20	%	Estimate 2020/21	Estimate 2021/22
<u>Expenditure by type</u>					
Employee related costs	R9 557 269 604,00	R10 513 510 400,00	10,00%	R11 502 161 030,00	R12 273 028 863,00
Remuneration of Councillors	R136 383 062,00	R142 093 151,00	4%	R151 613 392,00	161771490
Debt impairment	R1 514 427 397,00	R1 639 519 100,00	8,26%	R1 755 924 956,00	1859524528
Depreciation and asset impairment	R1 957 258 609,00	R2 132 962 910,00	8,98%	R2 220 898 816,00	R2 343 010 542,00
Finance cost	R1 987 722 305,00	R1 502 320 725,00	8,26%	R1 607 483 176,00	1720006998
Bulk purchases	10756213979	R12 081 171 244,00	12%	R13 056 869 923,00	13760677455
Other materials	R643 731 825,00	R693 460 081,00	7,72%	R733 906 926,00	776343966
Contracted services	R3 808 663 172,00	R4 100 603 911,00	7,67%	R3 914 833 716,00	3939166493
Transfers and grants	R57 868 151,00	R57 340 240,00	-0,91%	R60 436 613,00	63700190
General expenditures	3108310271	R2 583 257 709,00	-16,89	R2 718 014 032,00	2863594813
Loss of disposal of PPE	R85 398,00	-	-	-	-
Total Expenditures	R33 527 933 773,00	R35 446 239 471,00	7,65%	R37 722 142 580,00	R39 760 825 338,00
Surplus/deficit - excluding capital transfers	R63 257 284,00	R19 608 967,00		R142 879 227,00	R467 360 539,00
Transfers recognised - capital	R2 272 795 267,00	R2 353 629 160,00	3,56%	R2 558 127 054,00	R2 715 555 737,00
Surplus/deficit - before taxation	R2 336 052 551,00	R2 373 238 127,00	1,59%	R2 701 006 281,00	R3 182 916 276,00
Taxation	R2 931 337,00	R465 050,00		R497 604,00	R532 436,00
Surplus/deficit - for the year	R2 333 121 174,00	R2 372 773 077,00	1,70%	R2 700 508 677,00	R3 182 383 841,00

In comparison to Tshwane, Kungwini's budgeted revenue figures for 2009/10 to 2010/11 are smaller (Table 21). Kungwini's highest budgeted revenue was expected from property rates, service charges and transfers because its population has higher incomes compared to Kungwini. Tshwane also has high value property from business and wealthier residents which also enable a higher rates base. In addition, Tshwane's additional expected revenue comes from transfers which is R4.7 billion 2018/19. For Kungwini their expected budget revenue from transfers was R75 000 in 2009. Tshwane's revenue transfer would be higher than Kungwini's not only because of the Tshwane-Kungwini incorporation, but also because Tshwane has a bigger economy and more roles and responsibilities as a 'Category A' municipality than Kungwini.

Table 21: Revenue by source in Kungwini (KLM, 2011)

Description	Current Year 2009/10		2010/11 Medium Term Revenue & Expenditure		
R thousand	Original budget	Adjusted budget	Budget year 2010/11	Budget year +1 2011/12	Budget year +2 2012/13
Revenue by source					
Property rates	129 683	119 000	122 000	129 564	137 208
Service charges - electricity revenue	90 233	90 233	108 622	115 357	122 163
Service charges - water revenue	74 601	63 501	89 792	96 360	100 986
Service charges - sanitation revenue	15 484	14 887	17 144	18 207	19 281
Service charges - refuse revenue	11 957	10 745	12 035	12 781	13 535
Rental of facilities and equipment	578	599	0	0	0
Interest earned - external investments	6 500	-	100	106	112
Fines	4 026	1 526	2 036	2 162	2 290
Licences and permits	0	747	0	0	0
Agency services	13 000	1 663	5 100	5 416	5 736
Transfers recognised - operational	75 889	64 189	109 583	106 084	144 210
Other revenue	7 524	6 462	7 530	7 997	8 468
Gains on disposal of PPE	15 000	15 000	7 500	7 965	8 435
Total Revenue (excluding capital transfers and contributions)	444 475	388 552	481 442	501 999	562 424

The table below (table 22) shows the budgeted expenditure figures of Kungwini from 2009 to 2011. The table shows that Kungwini budgeted to spend less than its revenue for the year 2009, 2010 and 2013. The exception is with 2011 where the budgeted spending is above the budgeted revenue.

Table 22: Expenditure and revenue by type in Kungwini (KLM, 2011)

Description	Current Year 2009/10		2010/11 Medium Term Revenue		
R thousand	Original budget	Adjusted budget	Budget year 2010/11	Budget year +1 2011/12	Budget year +2 2012/13
Expenditure by source					
Employee related costs	102 434	112 253	138 441	149 793	162 376
Remuneration of councillors	8 566	7 064	7 567	8 187	8 875
Debt impairment	5 589	5 589	12 655	13 440	14 233
Depreciation & asset impairment	17 871	17 871	39 837	42 307	44 803
Finance charges	3 480	3 480	3 145	3 340	3 537
Bulk purchases	98 922	97 000	125 526	133 308	141 174
Contract services	13 100	15 610	19 100	20 284	21 481
Transfers and grants	24 586	13 516	63 078	37 134	39 325
Other expenditures	100 334	75 091	89 883	96 302	101 006
Total expenditures	374 882	347 474	499 232	504 095	536 810

The following table (table 23) compares the rates base data for different municipalities in 2007 (before the amalgamation). In that year, Tshwane's rates base figures accounted for around R1 billion, indicating that even at that period, its economy was strong.

Table 23: Rates base (Bannister and Sutcliffe, 2014)

Municipality	Rates base R'000 (2007)
Ekurhuleni	1 639 318
Tshwane	1 654 578
Johannesburg	3 168 904
Metsweding district	N/A
Nokeng Tsa Taemane	29 786
Kungwini	86 026

3.4 Conclusion

The background information on City of Tshwane metropolitan municipality and the former Kungwini local municipality shows some big disparities in financial standings between the two municipalities in terms of budget revenue and expenditures. Kungwini's financial figures illustrate that the size of the municipality in financial terms is smaller in comparison to City of Tshwane. In addition, this information suggests that City of Tshwane has a much stronger economy than the former Kungwini local municipality. As mentioned already, COT is the fourth biggest contributing municipality to the country's GDP. While this information does not necessarily provide in depth information on Kungwini's financial standings, it does paint a picture of the levels of the socio-economic aspects however, more information would be needed to justify why it was incorporated into City of Tshwane. Having provided the background context on the two municipalities, the following chapter will focus on providing the findings and analysis of field work.

Chapter four - Unravelling the logics of amalgamations

4.1 Introduction

The purpose of this chapter is to provide information which has been gathered on the incorporation of Kungwini local municipality into the City of Tshwane metropolitan municipality. As already mentioned in the introductory chapter, the focus here is on the research findings gathered from field work where informants were interviewed. The informants are mainly from the Municipal Demarcation Board, the national Department of Cooperative Governance and Traditional Affairs and the City of Tshwane metropolitan municipality. The findings were captured through the use of a questionnaire and recordings. This chapter disentangles the reasons behind the Tshwane-Kungwini amalgamation. It also considers the outcomes of the amalgamation process, regarding both the benefits and the disadvantages of the process. In addition, this chapter provides an analysis of the findings using the literature from chapter two to discover any implications which may have emerged from the amalgamation process. For the purpose of achieving the above-mentioned aims, the chapter is structured into two sections.

4.2 Section one: Findings

4.2.1 What is municipal amalgamation in South Africa and how is it beneficial for municipalities?

To determine why the Tshwane - Kungwini merger occurred, it is important to first understand what amalgamation is in the South African context. The literature from chapter two has shown that, internationally, municipal consolidations were conducted for various reasons which are slightly different from the South African context. Informant A (Municipal Demarcation Board (MDB) – Geographic Information System (GIS)) explained why the mergers began and during which period. Similar to the history of local government in South Africa, which is explained in chapter one, he indicated that amalgamations occurred during transitional local government to integrate segregated municipal areas.

“As time progressed, municipalities were rationalised from more than a 1000 down to 257 municipalities” – Informant A, MDB - GIS.

However, Informant F (National Department of Cooperative Governance and Traditional Affairs (COGTA)) mentioned that amalgamations were also a result of pursuing the concept of city regions as recommended by the Gauteng provincial executive council, in line with research reports from the Gauteng City Regions Organisation (GCRO). Amalgamations were seen as a tool through which city regions could be created, due to their economic strengths and capacity (Informant F, National Department of COGTA). Some other factors which led to the amalgamation of municipalities (post the amalgamations of the year 2000) were dysfunctionality of a municipality, cost reduction and financial viability (Informant A, MDB – GIS). Informant B (COGTA) stated that in the South African context, amalgamation is mostly referred to as the re-determination of municipal boundaries. This is because municipal determination deals with the reconfiguration of municipal boundaries to merge the municipalities. Re-determination refers to the removal or excision of a portion of a municipality. This is a process whereby upon assessment, municipalities that are found to be financially and economically unviable and unable to fulfil their constitutional mandates, are reconfigured in order to make them viable.

According to Informant A (MDB – GIS), saving administration costs coming from multiple local municipalities served as a contributing factor for the Tshwane-Kungwini merger. Informant A (MDB – GIS) stated that local municipalities have separate mayors and councillors which all perform just about the same kind of work. Compared to a metropolitan municipality where everything is centralised, the metropolitan municipality is responsible for all the tasks, therefore there will be no need for several mayors and councillors like how it would be in a local and district municipality.

According to Informant A (MDB – GIS), amalgamations are beneficial because they remedy the dysfunctionality of a municipality, which helps them to be more efficient and useful in exercising their constitutional responsibilities in terms of delivering public services efficiently and effectively. It is expected that amalgamated municipalities benefit from shared resources such as infrastructure and more efficient systems of operation such as revenue collection (Informant A, MDB – GIS).

However, the benefit from amalgamation is conditional and based on the kind of municipalities being amalgamated in terms of how weak or strong one of the municipalities is (Informant B, MDB – GIS). The benefits as perceived by Informant B (COGTA) and C (COGTA), are bigger budgets for service delivery and a reduction in multiple expenses which is similar to the operational costs which Informant A (MDB – GIS) referred to as administration costs.

Informant B (COGTA) discussed the amalgamation of Mier local municipality and Khara Hais local municipality which established the Dawid-Kruiper local municipality in the Northern Cape. The Mier local municipality was not well off compared to Khara Hais because it struggled to provide some services due to lack of resources. In instances where a basic infrastructure service such as installing or repairing a streetlight was needed, the municipality would outsource the task to consultants. However, after the merger, Mier local municipality inherited the expertise and resources from the Khara Hais municipality, which meant that it no longer had to outsource services to consultants. The amalgamation in this case was beneficial as the newly formed municipality, Dawid-Kruiper local municipality could address such issues. Considering the above, Informant C (COGTA) mentioned that it depends on the municipalities being merged together. The situation would have been different if two weak municipalities were put together, or two weak municipalities were merged with a third better functioning municipality which in the long run would be overwhelmed to support two other municipalities (Informant C, COGTA).

Informant B (COGTA) and C (COGTA) mentioned that they are currently busy with a study where they are amalgamating 26 municipalities in the country. On completion of the study, they plan to explore the possible outcomes of these amalgamations in order to analyse whether the amalgamation has been useful. At this current time, they do not have any evidence of visible benefits from the mergers. According to Informant D (MDB – CEO), South African amalgamations are not old in a sense that we could have an adequate body of knowledge to state categorically whether it works and has some benefits. The first amalgamations took effect in 2000, followed by the 2011 amalgamations and another set in 2016. There have not been enough evaluation studies prepared on the amalgamations from the MDB (Informant D, MDB – CEO).

“There are perceived benefits, but we are not yet at a stage where we are sure and have seen benefits play out as a result of amalgamations” – Informant D, MDB – CEO.

Informant D (MDB – CEO) added that when the minister approached the Municipal Demarcation Board proposing the number of amalgamations which must happen in the country, one of the reasons the minister put forward was that he wanted to achieve financial viability. However, Informant D (MDB – CEO) argued that financial viability is not the easiest factor to measure, and also, it cannot be achieved in just a few years because it is also linked to the economy of the country. If there are any benefits at all, they may only be realised 20 or 30 years after or even more. The most visible benefits that people will often talk about is the saving of operational costs (Informant D, MDB – CEO). For instance, instead of having two administrations, the merger would result in one council. Therefore, cost savings may be realized but also diminished by other costs such as the transitional costs of the merger. The general sense of the MDB on amalgamations is that it does not work as an intervention (ibid). In the research seminar hosted by the Municipal Demarcation Board and HSRC in 2019, it was stated that there is no direct correlation between amalgamations and the performance of municipalities. Municipal amalgamation is therefore more of a technical tool (for altering boundaries) which is not ideal tool for resolving internal problems of local government (Informant D, MDB – CEO).

To illustrate the misconception of amalgamation as a solution for local government, Informant D (MDB – CEO) provided a hypothetical example of a merger between Mngquma local municipality and Buffalo City metropolitan municipality. The assumption was that since Buffalo City is a metropolitan municipality, the Mngquma municipality would automatically benefit from the merger. However, this is unlikely because the approach used by the metropolitan city may be different. Considering that the residents of the metropolitan municipality may be paying higher rates than people from Mngquma local municipality and also the low rates and tax base of Mngquma, Informant D (MDB – CEO) argued that it would be difficult for Buffalo City to obtain revenue from the Mngquma municipal area after the merger. In addition, the services and infrastructure from Mngquma local municipality would have to be upgraded, further compromising the ability for Buffalo City to extend to its services due to revenue constraints (Informant D, MDB – CEO).

4.2.2 Why was Kungwini amalgamated into Tshwane and what problems were identified?

Upon re-determining municipal boundaries, the Municipal Demarcation Board (MDB) follows a set of criteria to ensure a consistent and well-informed decision. These are listed under the Municipal Demarcation Act of 1998 as follows (Local Government, 1998):

- a) The interdependence of people, communities and economies as indicated by:
 - i. existing and expected patterns of human settlement and migration;
 - ii. employment;
 - iii. commuting and dominant transport movements;
 - iv. spending;
 - v. the use of amenities, recreational facilities and infrastructure;
 - vi. commercial and industrial linkages;
- b) the need for cohesive, integrated and unfragmented areas, including metropolitan areas;
- c) the financial viability and administrative capacity of the municipality to perform municipal functions efficiently and effectively;
- d) the need to share and redistribute financial and administrative resources;
- e) provincial and municipal boundaries;
- f) areas of traditional rural communities;

After the 2006 municipal elections, a circular to finalise outstanding municipal boundaries by the year 2008 was sent out by the MDB (Bannister and Sutcliffe, 2014). Between the year 2006 and 2008, the Gauteng Premier announced the possibility of creating city regions, which implied the disestablishment of district municipalities in Gauteng (Bannister and Sutcliffe, 2014). During this period, the MDB took on an assessment of the Metsweding district using the criteria shown in Figure 10. It found that there was some significant urbanisation on the boundary of COT and the Metsweding District Municipality (MDM), including the upmarket estate developments such as Silver Lakes, Mooikloof, Grootfontein and Tierpoort which were at least 30km away from Bronkhorstspuit, Pretoria side (Bannister and Sutcliffe, 2014). Professor Robert⁵ Cameron's

⁵ Cameron's findings are summarised in the document written by Bannister and Sutcliffe (2014)

investigation also identified urbanisation between Kungwini and COT, which led him to recommend including them into Tshwane (Bannister and Sutcliffe, 2014; Informant A, MDB - GIS).

The urbanisation between COT and Kungwini was mainly due to job opportunities and better services from Tshwane which led people to commute frequently (Informant A, MDB – GIS; Informant D, MDB - CEO). According to Informant A (MDB – GIS), these people were coming from places like Cullinan, Rayton and some from Ekangala and other parts of Kungwini. Essentially, the functionality of the Metsweding district was linked to the City of Tshwane (Informant B, MDB – GIS).

Initially, the MDB was to re-determine only these areas into COT, however, after receiving comments on this proposal, and recommendations from Professor Robert Cameron and due to lack of services rendered by Kungwini, the MDB proposed to include only Kungwini into COT and also excising some farms from Metsweding (Sterkfontein, Witkoppies and Doornkloof) and including them into Ekurhuleni metropolitan municipality (Bannister and Sutcliffe, 2014). However, this was not feasible because the district would only be left with one municipality (Nokeng) which would have been unconstitutional. A feasibility study was conducted to include the whole district into Tshwane and some parts into Ekurhuleni and the outcome was positive. On the 29th May 2008, the MDB published a notice to re-determine the district boundaries.

Apart from urbanisation and the call for city regions, there were other influences which led to this amalgamation such as fulfilment of local government objectives. When the MDB released the proposal to re-determine the district boundaries, the ANC through Paul Mashatile (Chairperson of the ANC: Gauteng) argued in favour of this proposal (Informant B, COGTA). The argument was that Metsweding had problems of institutional financial viability. The Gauteng Department of Local Government in terms of section 22 of the Constitution requested for the merger to address issues such as viability in the Metsweding district (Informant B, COGTA). Section 139 A, B, and C of the Constitution is implemented by the provinces.

According to Informant B (COGTA, citing the Constitution of the Republic of South Africa, 1996, 67)

“Section 139 holds that, provided a municipality is unable to fulfil the executive obligation in terms of the Constitution, the relevant provincial executive may intervene, taking any appropriate steps including –

- a) Issuing a directive to the Municipal Council, describing the extent of failure to fulfil obligations, and what steps should be followed to meet such obligations.
- b) Assuming responsibility for the relevant obligations.
- c) Dissolving the Municipal Council. “

The Gauteng Department of Local Government decided to go for the dissolution of the council and redetermination which was applied by the Municipal Demarcation Board through section 22 of the Municipal Demarcation Act of 1998 using section 25 (Informant B, COGTA).

Like Nokeng Tsa Taemane local municipality, Kungwini was incorporated because of its poor debt collection, poor internal control systems, budget deficits, inadequate cash flow and management systems (Informant B, COGTA; Informant F, National Department of COGTA). Some of the problems were linked to functionality such as not having an asset register, several service delivery backlogs and lacking operational systems such as Geographic Information Systems (Informant E, COT). Other problems identified in Kungwini were the poor delivery of services, inaccurate financial audits, poor revenue collection and an inadequate performance of obligatory functions as outlined by the Constitution (Informant A (MDB – GIS)). As a result, amalgamating Kungwini with Tshwane was seen as an option since it functions better and has more matured systems of operation. Informant D (MDB – CEO) pointed out that the residential estates, Silver Lakes and Mooikloof used to be part of Kungwini, were functionally and spatially effectively part City of Tshwane before the merger. The estates received bulk services from City of Tshwane, and not from Kungwini (Informant D, MDB – CEO). By incorporating Kungwini into Tshwane, it was easier for Tshwane to officially incorporate the residential estates into its area which is beneficial for them in terms of revenue collection from the rates and service charges (COT, 2010; Informant D, MDB – CEO).

Kungwini had no consistency in the provision of land use rights. The consequences of this for Tshwane now is that they cannot provide zoning certificates nor approve developments until land management measures are installed (Informant E, City of Tshwane (COT)). Under Kungwini municipality, some sites were subdivided without being registered and recorded. Furthermore, the Kungwini dam had run dry, thus creating water service issues (Informant E, COT). There were no standard policies in Kungwini, and their Spatial Development Framework was incomplete (Informant E, COT). They also did not have departments to assist with land use applications. The residents of Kungwini had no title deeds and the municipality had no record of files for residents who applied for land use certificates and rezoning. Most of the approved applications were done without any prior site evaluation (Informant E, COT). The debts from Kungwini have now fallen on City of Tshwane as its successor in law (Informant F, National Department of COGTA). Litigation, aging infrastructure and service delivery backlogs have had to be absorbed by City of Tshwane (Informant F, National Department of COGTA).

“We were not well prepared for the merger... as a result, some systems were not yet installed. Even the regions that were added for the merger (region six and seven) only came into operation after the merger... the process was quite disorderly” - Informant E, COT.

4.2.3 Why was it expected that the amalgamation would fix these problems?

According to Informant A (MDB – GIS), City of Tshwane is a huge metropolitan municipality with more resources and capacity than Kungwini. The labour working in COT also comes from the Metsweding district, so it makes sense to incorporate them under this municipality.

“It only makes sense that these labour reserves can benefit from what these metros have to offer... Financially, it did strain the city, however, it has helped the people enjoy better services than before” - Informant A (MDB – GIS).

The general assumption on the matter is that the municipal district as a whole was not functioning properly. The MEC sought to establish financial viability through city regions which are seen as beneficial for fixing municipal dysfunctionality and creating financial viability. Beyond amalgamating to get rid of district boundaries, it is not clear why amalgamations were seen as a solution to the problems.

According to Informant D (MDB – CEO), it was assumed that amalgamating a weaker municipality with a stronger one would solve local government problems. “Ideally”, stated Informant E (COT), “combining a mixture of strong and weak municipalities should result in benefits of sharing of resources and knowledge to provide better level of services.” However, the Tshwane-Kungwini merger hardly appears to be beneficial (Informant E, COT). It seems more of an incorporation than a merger because Tshwane incurred huge transitional costs and inherited municipalities with poor financial bookkeeping (Informant E, COT; Bannister and Sutcliffe, 2014). “My opinion”, stated Informant D (MDB – CEO), “is that amalgamation should be used as a last option after all the other less ‘drastic’ solutions have been evaluated”. Examples of the solutions would include, outsourcing of services or inter-municipal partnerships.

4.2.4 Has the amalgamation process solved these problems?

City of Tshwane metropolitan municipality is now responsible for the operations of the entire city (Informant A, MDB – GIS; Bannister and Sutcliffe, 2014). It conducts performance analysis for the whole city and undertakes regional plans to ensure that all affected areas benefit from public services. This was confirmed by Informant E (COT) who mentioned that they are now incorporating the former municipal areas into the working documents of City of Tshwane such as on the Spatial Development Frameworks and Integrated Development Plans.

Considering that Kungwini had incomplete financial audits, poor revenue collection, incomplete Integrated Development Frameworks, with Tshwane being fully responsible for the administration of the entire city, it can be noted that the administrative problems of Kungwini and other incorporated areas have been solved (Informant A, MDB-GIS; Informant B, COGTA). City of Tshwane is a municipality that can fulfil its constitutional mandates, therefore by virtue of being part of Tshwane, Kungwini’s problems were solved (Informant B, COGTA). However, from the evidence on service delivery protests, together with the data presented on Kungwini in chapter three concerning issues of sanitation, electricity, access to water and the range of administration problems Kungwini was facing, it does not seem like the problems have been solved. More problems are evident in the 2019/20 Tshwane approved IDP. Phase 2 of the IDP presents the section of engagements with stakeholders after the tabling of the draft Integrated Development Plan and Medium Term Revenue and Expenditure Framework.

One of the engagements was held in the Bronkhorstspuit Sports Centre. In the meeting, there were complaints about shortages of clean water and electricity (COT, 2019).

Kungwini is benefiting from the matured systems and policies installed by the City of Tshwane, however, service delivery is still problematic because the city is struggling to service the incorporated municipalities (Informant E, COT; Informant D, MDB - CEO). This is evident as illustrated by residents' dissatisfaction of service delivery through protest against the merger (Mudzuli, 2014).

In addition, the South African Human Rights Commission (SAHRC) summoned the City of Tshwane and the Gauteng MEC to account for the poor service delivery and underdevelopment in Ekangala and Kungwini regions (Cothia, 2019). This inquiry was lodged on the 24th of June 2019 and 4th December 2019, revealing lack of access to adequate housing and insufficient public engagement (Cothia, 2019). Nine years post the amalgamation and it appears that service delivery such as housing, water and electricity is still an issue in the municipality. Informant D (MDB – CEO) mentioned that it is possible that Tshwane's capacity has been diluted due to all the debts which Kungwini brought along. Informant D (MDB – CEO) added that Tshwane was unprepared for the amalgamation and was already faced with problems of its own such as household access to electricity as illustrated in chapter three. Informant D (MDB – GIS) further stated that the funding⁶ for the merger of Tshwane and Kungwini was not enough. While there are some questionable gains and benefits, Kungwini's problematic state is not the same as before the merger.

"I believe that the merger did have some level of improvement on Kungwini, however, I cannot entirely say that its problems were solved" - (Informant D, MDB - CEO; Informant F (National Department of COGTA).

The improvement may be related to some of the benefits of big municipalities such as better resources and a stronger administration which Tshwane has. There are some projects which Tshwane has allocated to areas such as Zithobeni in terms of water provision and sewer provision.

⁶ City of Tshwane demanded funding for the transitional costs of executing the merger such as harmonising policies and clearing service delivery backlogs and debts.

4.2.5 Is the same administration still running the Kungwini area and how is it performing now?

According to Informant A (MDB – GIS), some parts of Kungwini are now functioning just as wards which belong to the regions of the City of Tshwane. Since everything is centralised (controlled by the COT), the work is performed by the City of Tshwane (Informant A, MDB – GIS; Informant D, MDB – CEO).

“Ensuring that levels of services are consistent throughout the metropolitan city posed a problem in terms of the capital outlay needed to carry out this task” - Informant A (MDB – GIS).

COT (2010) shows that consultations on staff placements were carried out by the technical steering team, specifically the human resource team. The consultation involved developing a labour relations strategy which entailed whether they would be transferring all the staff from Metsweding district, whether there would be retrenchments or a combination of both or seeking alternative employment. However, Informant D (MDB – CEO) mentioned that some workers from Kungwini local municipality, Nokeng tsa Taemane and Metsweding district were assimilated into the system of Tshwane. A steering committee was established to decide how workers are distributed within COT. Some workers who worked in Kungwini were reassigned to region seven.

Informant E (COT) mentioned that the COT deployed officers to region seven, which is where Kungwini is located. In that region, workers from Kungwini are responsible for performing regional functions such as customer care, finance, water services, social and environment issues. The region comprises a regional executive director and other directors which is quite helpful in managing the region. There has not been any evaluation on this merger done by the MDB or the municipality as yet but based on observation, Informant D (MDB – CEO), E (COT) and F (National Department of COGTA) agree that there has been some degree of improvement in service delivery.

4.2.6 Were there any problems or oppositions that may have emerged after the amalgamation?

Informant B (COGTA) mentioned that City of Tshwane raised complaints about the costs of the merger, mainly the transitional costs but not necessarily the service delivery costs. The amalgamation had significant shortcomings which mainly linked to an inadequate budget for the implementation of the amalgamation (Bannister and Sutcliffe, 2014). Some of the activities from the amalgamation project which required a budget include but are not limited to: Key projects like systems integration and organizational design costs, lack of a restructuring grant to address service delivery backlogs from the incorporated municipalities in order to ensure a uniform standard of services in the new municipality (Bannister and Sutcliffe, 2014).

The transitional costs borne by Tshwane were probably the most prominent problem to have emerged after the amalgamation because it must have impacted the effectiveness to deliver services to the municipality (Bannister and Sutcliffe, 2014). According to Informant A (MDB – GIS) the transitional costs of the merger were affected by the rationalisation of line department policies, tariffs, procedures and programs with those of the incorporated municipalities to ensure effective service delivery.

Bannister and Sutcliffe (2014) present the COT financial report for 2011/12 which show the following costs of the merger⁷:

The report continued to project shortfalls for subsequent years:

Table 24: Costs of the Tshwane-Kungwini merger (Bannister and Sutcliffe, 2014)

Costs	2011/2012 Financial year
Payments made by the COT on behalf of erstwhile municipalities	R124 200 000
Running operational cost shortfall	R538 100 000
Capital expenditure	R373 600 000
Total shortfall	R10 359 000 000

⁷ Total shortfall refers to the merger costs which were over R1 Billion.

Table 25: Additional costs to the Tshwane merger (Bannister and Sutcliffe, 2014)

	2012/2013 Financial Year	2013/2014 Financial Year
Operational		
Revenue	R415 400 000,00	R432 500 000,00
Expenditure	R749 482 000,00	R819 700 000,00
Shortfall	R334 100 000,00	R387 200 000,00
Capital	R406 800 000,00	R306 800 000,00

In addition, the report identified approximately R58 million costs of merging personnel and absorbing approximately R328 million liabilities from the incorporated municipalities as a successor-in-law. (Bannister and Sutcliffe, 2014). These transitional costs were mostly unanticipated since they only appeared after the merger had occurred. In addition, the failure to conduct an empirical analysis on the areas to be incorporated has created two issues. Firstly, Tshwane was not able to foresee all the associated costs of the merger. Secondly, because it could not identify all the associated costs, it was unable to sufficiently deal with all the problems of Kungwini. Furthermore, the City of Tshwane's way of operating or orientation was not welcomed with open arms in some areas such as Kungwini and Ekangala.

The introduction of service devices such as the installation of prepaid meters, while seen as more efficient and encouraging better management in reducing electricity losses, was met with intense opposition because prepaid meters are more expensive. The opposition took the form of protests coming mostly from residents who disagreed with the amalgamation due to the possibility of paying high tariffs under the new Tshwane municipality (Informant A, MDB – GIS). Informant D (MDB – CEO) stated that people living in the former Kungwini and Nokeng local municipalities are not used to paying high tariffs. In addition, while there is no specific evidence to support this, it can be assumed that Kungwini included a large low-income population which cannot afford to pay tariffs that Tshwane was imposing. The income data under income category, chapter three on Kungwini suggests that its population was too poor to afford paying higher tariffs.

Another opposition worth mentioning is from the Democratic Alliance party of South Africa. Initially they supported the merger because they saw linkages between Tshwane and the upmarket developments (Silver Lakes, Mooikloof). However, the party later reversed its support in opposition to a merger which would incorporate 'major town centres (Bronkhorstspuit, Ekangala)' which were quite far apart from each other (Bannister and Sutcliffe, 2014).

4.2.7 What benefits did the amalgamation bring for Tshwane?

For Tshwane, looking at the financial aspect of the merger, the process was seen as a burden (Informant A, MDB – GIS). In fact, City of Tshwane accused the Gauteng province of proposing the merger without providing sufficient funding, thereafter, seeking compensation for its financial losses. However, even though marginal, there are some benefits that can be identified from the amalgamation. For instance, Tshwane's increase in population means that more services have to be delivered, and even though Tshwane has inherited poor areas from the merger, their equitable share has increased due to an increased population with needs for basic services.

Informant B (COGTA) stated that, since its population size is now bigger, City of Tshwane could be receiving an equitable share slightly bigger than the previous grant before the merger. However, the process would be complicated because, the equitable share formula provides a larger amount of money to poorly functioning municipalities, and a smaller amount to better functioning municipalities. The reason for this is to help assist struggling municipalities with some additional funds in the form of a grant. Since Kungwini is now part of a better functioning municipality, it will also be treated as a better functioning municipality, therefore Tshwane would receive a lesser amount of the equitable share than had been anticipated. However, it must be realised that this formula is calculated based on components which should provide Tshwane with a larger grant.

The components are basic services, development, institutional support, revenue-raising capacity and correction and stability component. The basic service component accounts for five services, namely: electricity, water, sanitation, refuse and municipal health.

The basic service component is driven by factors such as poverty, access to services and quality of services. According to (National Treasury, 2012) metropolitan municipalities receive the largest combined allocation for basic services due to the high number of poor households and the amount of services they are required to perform by the Constitution. Therefore, contrary to Informant B's (COGTA) view, Tshwane should be receiving a larger equitable share, however it may be affected by the incurred costs of protests and the transitional costs from the merger, and perhaps the revenue raising capacity factor which accounts for municipalities with a higher revenue raising capacity than other municipalities (Bannister and Sutcliffe, 2014; National Treasury, 2012).

Another benefit for Tshwane is the ownership of the upmarket residential estates. Unlike before, when Tshwane only provided the infrastructure and services for Kungwini, the merger means that Tshwane would inherit the developments and can therefore collect rates and revenues from these areas (Informant D, MDB – CEO; Informant F, Department of COGTA). They could also get revenues from Bronkhorstspuit industrial areas and also the town commercial areas.

This also means that Tshwane gains more land from the whole district which is essential for expansion of the agricultural economy since the city did not have a lot of agricultural land before the merger. This accessibility of land means that Tshwane can take advantage of it not only through agriculture but also through other alternative ways of increasing profits such as opening the area for more upmarket developments. The third strategic pillar of the Tshwane 2019/20 approved IDP lists agriculture and rural development as one of the focus for the delivery of excellent services and protecting the environment. Some of the deliverables in line with this objective include the implementation of the rural development strategy and implementing an agricultural development spatial plan.

4.2.8 What impacts did the amalgamation have on planning?

According to Informant D (MDB – CEO), servicing Kungwini from the city was probably costly due to the distance from the city to the incorporated areas. The merger may have had an impact on the provision of bulk services which required adequate strategic spatial planning to ensure that the regions are serviced in a cost effective and consistent manner (Informant D, MDB – CEO).

The vast amount of farmland and low-density areas gained from the municipality meant that Tshwane had to undertake planning for these areas, hence Kungwini was included into Tshwane's regional system under region seven.

According to Bannister and Sutcliffe (2014), unless stringent spatial planning tools are adopted such as Spatial Development Frameworks where the urban development boundaries are defined and planned for, the cost of development in those areas will have been negatively affected. Since Kungwini is part of Tshwane, it was essential that it is incorporated in the city's plans and policies to ensure that it is serviced. The 2019 Tshwane Integrated Development Plan details a number of projects put in place to service Kungwini. These include the provision of libraries, upgrading the Ekangala stadium, servicing the Bronkhorstspuit informal trade market, development of waste transfer stations, water and sewer provision in Zithobeni and construction of roads and storm water (COT, 2019). Unlike before the amalgamation when the city only had five regions, the inclusion of Metsweding district into Tshwane means that more planning was and will be required due to the increase in land. This may also pose another challenge given the backlog of basic needs servicing and the associated costs of the amalgamation.

4.3 Section two: Analysis

4.3.1 Benefits of amalgamations

The common response from the informants concerning amalgamation benefits was a saving in administrative costs due to the reduction in the number of municipalities. From the literature, Khumalo and Ncube (2016) brought up the ability of consolidated municipalities to filter out duplication of management and politicians from fragmented municipalities. The saving of administrative costs in the case of Kungwini does not necessarily appear to be a benefit of amalgamations but rather a correction of an error which was created by having a duplication of roles in fragmented municipalities that share the same geographical area (i.e. the two-tier system in Metsweding district). It is quite possible that the same cost savings would be realised if Metsweding was run as a single entity.

93When exploring the municipal expenditures before and after the amalgamation, in search of cost savings on this merger, the Tshwane IDP report of 2011 provides data on the employee related costs and remuneration of councillors costs. Observing the table below, there was a 35% increase in employee related costs and a 27% increase in remuneration of councillors from 2007 to 2010. The budgeted expenditures suggest that expenditures will double in the above mentioned categories, including bulk purchases and other expenditures. For a municipality as big Tshwane, perhaps these costs would increase with the incorporation of Kungwini.

Table 26: Summary of operating costs by category in City of Tshwane (Source: COT, 2011)

Description	2007/8	2008/9	2009/10	Current year 2010/11			2011/12 Medium Term Expenditure Framework		
R thousand	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2011/12	Budget year +1 2012/12	Budget year +2 2013/14
Expenditure by type									
Employee related costs	2 621 003	3 009 111	3 518 465	3 451 263	3 538 608	3 538 606	4 828 223	5 306 008	5 690 569
Remuneration of councillors	44 201	55 351	56 016	66 438	65 388	66 388	90 293	99 088	108 721
Debt impairment	280 647	376 125	1 014 557	432 387	528 801	528 801	840 147	965 609	1 110 278
Depreciation & asset impairment	574 907	592 405	815 772	897 034	741 741	741 741	856 860	932 224	1 009 212
Finance charges	372 545	518 422	594 922	715 617	644 189	844 189	737 058	800 637	904 755
Bulk purchases	2 206 818	2 718 185	3 639 421	4 484 233	4 519 238	4 519 236	5 660 050	7 013 702	8 437 075
Contract services	-	-	-	-	-	-	587 853	630 005	675 252
Transfers and grants	-	-	-	-	-	-	3 278 298	3 372 297	3 566 310
Other expenditures	11 585	9 834	12 544	18 000	13 799	13 799	14 282	14 782	15 299
Loss on disposal of PPE	3 720 317	4 001 688	3 571 835	4 761 671	5 086 114	5 086 114	988 064	1 041 621	1 125 894
	23 352	9 069	3 127	5 077	-	-	-	-	-
Total expenditure	9 855 375	11 290 190	11 290 190	14 831 720	15 137 878	15 338 874	17 881 128	20 175 973	22 643 365

Creating a big municipality saves costs, enhances efficiency and effectiveness, therefore making it better than smaller municipalities (Informant A, MDB – GIS; Informant B, COGTA; Informant C, COGTA). However, this is based on speculation encouraged by the arguments of municipal consolidation. From this study, I have found that some of these factors are difficult to measure and therefore make it difficult to deduce whether the amalgamation was successful in these terms. Tshwane may be able to deliver services since they are spending a lot of money on administration and bulk purchases, however, perhaps the question to ask is would this level of servicing be sustainable? The cost savings could have been affected by a number of factors which have been mentioned in the literature. For instance, economies of scale may be offset by costs of labour-intensive services due to the hiring of employees to respond to a demand which increases with a bigger population size of a municipality. Boyne (1992), Dollery and Fleming (2006) and Dollery *et al* (2008) also argue that managerial costs may increase and therefore affect cost savings.

There are some clear benefits of amalgamation that are true for most bigger municipalities. For instance, conducting wide-ranging planning activities such as over the seven regions of Tshwane shows that bigger municipalities have a stronger functional capacity than smaller municipalities such as the former Kungwini local municipality.

The lack of sufficient Spatial Development Frameworks and Integrated Development Plans from former Kungwini provides a clear example. Higher revenues from property rates and service charges also illustrate that bigger municipalities will often have high value properties driven not only by wealthy households from a heterogeneous population with various needs, but also by businesses attracted by a strong economic pull factor in Tshwane.

4.3.2 Problems identified in Kungwini

While the Tshwane-Kungwini amalgamation was undertaken to deal with local government problems of Tshwane, creating city regions and doing away with district municipalities was also important. Creating city regions appears to be an objective motivated by the need to compete in the global economy. Additionally, these objectives have largely been influenced by international arguments on amalgamations which have led to a widespread norm of creating big municipalities strong enough to sufficiently provide services efficiently, effectively and equitably. The amalgamating of Kungwini into Tshwane was an effort to deal with the problems identified in Kungwini. One of the many problems that Kungwini was facing was the issue of administration. The incomplete Integrated Development Plans, unregistered sites, releasing of land without prior evaluation and overspending of revenue illustrate that there was maladministration going on. These are problems that could have been fixed by attempting to adapt capacity building measures such as training and consultation. What is evident here is a conundrum of pursuing amalgamations without having witnessed the benefits of these amalgamations beforehand. Not only are there unrealised expectations and marginal gains, but there is no evidence which conclusively supports municipal amalgamations (Askim *et al*, 2004; citing Dollery and Fleming, 2006).

The MDB criteria which was used to diagnose Kungwini as financially unviable and too crippled to perform Constitutional mandates is important as it illustrates that the municipality faced governmental problems. However, this does not necessitate a need to alter municipal boundaries. Instead, COGTA and the provinces should assist in finding other options to fix local government problems before choosing to amalgamate.

4.3.3 Has the amalgamation helped solve the problems and why was it expected to solve the problems?

It is difficult to make a conclusive statement on whether or not the problems of Kungwini were solved due to a number of factors. Firstly, the available data is not sufficient to show economies of scale or savings of administrative costs. Secondly, the information on the outcome of this particular amalgamation and benefits which has been provided by the informants is mostly perception based but some of it is supported by information such as the protests provided by Mudzuli's article (2014).

Table 27 shows the responses of informants interviewed for this research to the benefits of the amalgamation in Tshwane, and whether they think the amalgamation solved the problems of Kungwini.

Table 27: Closed responses to the benefits of amalgamation

Informants	A	B	C	D	E	F
Benefits for COT	PARTIAL	YES	YES	PARTIAL	NO	PARTIAL
Has the amalgamation solved the problems?	YES	YES	YES	PARTIALLY	PARTIALLY	PARTIALLY

As mentioned above, the responses were based on their experience in the area and not hard data. The variance suggests that there is a level of uncertainty, probably due to limited evidence about the outcome of the amalgamation. In summary, Informants A, B, C, D and F all felt that the amalgamation was beneficial for Tshwane due to reasons such as gaining more land, attaining a larger population which would impact their tax base, however, some felt that the amalgamation was only partially beneficial in that respect because they saw it as a huge burden given the associated costs as well as the poor population which Tshwane was incorporating. Informant E strongly felt that the amalgamation was very burdensome as well, because Tshwane was not ready to take on the amalgamation. Responses were also split between the six Informants, three of whom were confident that the amalgamation had solved the problems and the remaining three who felt that it had only partially done so as there are still service delivery problems emerging in Kungwini.

To recap, Kungwini faced functional problems such as poor debt collection, poor internal control systems and inadequate cash flow management. It also had debts that Tshwane was forced to pay. So, has the amalgamation solved Kungwini's problems? The answer to this question depends on whether the objective was to see immediate results or realise these over a longer period time, which in this case is unknown. However, currently, the results are vague and do not suggest that the problems were fixed but rather delegated to COT. For instance, it can be said that the amalgamation helped install proper systems which Kungwini did not have and this helps the area of Kungwini function much better under Tshwane's administration. It has however imposed higher costs on residents than they had been paying before and this has created a lot of tension which has resulted in protests as already stated earlier. The information collected also suggests that this amalgamation was highly influenced and informed by the big vs small municipal debate around amalgamations but there is insufficient empirical data which confirms its success.

4.3.4 Is the same administration still running the area and how is the area performing now?

As stated by Informant E (COT) and by Bannister and Sutcliffe (2014), Tshwane's strategy to managing the newly created municipality was to regionalise it. The map of Tshwane depicted in chapter three shows all seven regions of the metropolitan municipality. The performance of the area may still have some administration issues because Informant E (COT) mentioned that upon visiting the region, she noticed that workers were not performing in the work delegated to them. This probably suggests that this was the portion of the former Kungwini administration which had management issues and requires intense capacity building measures. There has to be a more careful method of staff placement which will create an administration that is more capable of working efficiently and effectively (Fiscal and Financial Commission, 2009). Instead of absorbing and assimilating workers from all former municipalities into Tshwane which will eventually bloat the management and diminish competency levels, enough time should be allowed to carefully select the qualified staff.

This does not mean that incompetent staff should be retrenched, however, in the future, allowing sufficient time to prepare a thorough study of all the affected municipalities will provide a background on the administration of the municipalities. This will enable the parent municipality to decide whether the staff will be trained properly, or released at the end of their contracts, rather than opting for retrenchments or absorption which will often be counterproductive if the goal is to save costs. The type of contracts may not be fixed; however, the overriding point is that allowing sufficient time should allow the stakeholders to make better informed decisions.

The service delivery protests occurring in the city are an indication that City of Tshwane is still dealing with problems of local government. This is not to say that the municipality is dysfunctional like the former incorporated municipalities. It also does not mean that the strides and efforts made through this amalgamation have been cancelled out. The outcomes from the Tshwane-Kungwini amalgamation indicate that the goal of achieving optimally functioning sustainable local governments requires a lengthy process and therefore should not be done in a hasty manner.

4.4 Conclusion

In the grand scheme of things, the literature on amalgamation, coupled with the findings and analysis indicates that the benefits of the amalgamation are questionable and require a thorough investigation. The need to use amalgamations as a solution towards remedying local government problems is not convincing as there is no correlation between municipal boundaries and dysfunctionality (Khumalo and Ncube, 2016). It has been stated that the reason to amalgamate was to establish city regions in Gauteng as a means to deal with internal challenges in the province. Another reason was to move away from cross-border municipalities which was the case for Kungwini was. It appears that the reason to opt for amalgamations was based on the assumption that unifying and creating a wide region of metropolitan municipalities which will work together towards the same goal was linked to functionality, capacity, financial viability and good service delivery. However, this has clearly not worked because the problems of financial viability and delivery of services still persist regardless of the recent amalgamations that have occurred. Perhaps most of this can be attributed to the amount of time allowed for the amalgamation to take place which has affected the choices made such as the budget for the amalgamation and staff placement.

The findings chapter and the context chapter illustrate that the Tshwane-Kungwini case and the ones presented in the literature are quite different. In South Africa, the municipalities that are being amalgamated are much bigger than those in Australia for instance, and more often than not, they are much poorer and face more challenges. This has been shown in the context chapter through a presentation of the economic context of both municipalities. This chapter also shows that while the reasons to amalgamate in South Africa are different to the international cases, the influences are similar as well as the overall goals.

The following chapter provides the concluding remarks of the entire report along with the recommendations with regards to the amalgamation and how this report linked to planning. The chapter also reflects on the main points discussed and presented in the whole report.

Chapter five - Reflections and Conclusion

5.1 Introduction

The purpose of this report was to explore the literature on municipal amalgamation from an international scale and to review debates which are relevant to this study. Additionally, the report's aim was to examine the amalgamation issue in the South African context and focus on the Tshwane-Kungwini case in particular. It began by setting out the history of apartheid local government and transitional local government in order to provide a background of how South African municipal amalgamations were introduced and why they were needed. As presented in chapter one, amalgamations were introduced during the transitional phase of local government as a move towards a democratic and integrated country where municipal boundaries were re-determined to create larger municipal governments which could redistribute the country's resources in a more equitable manner. This was followed by a discussion of the international literature which presented the core arguments in the debate on amalgamations.

Since the debate was from an international context, most of the arguments and findings presented pertained to developed countries which in many cases smaller councils compared to those of South Africa. However, this does not mean that those arguments and outcomes cannot compare to South African amalgamations. The international literature on amalgamations was not only significant for contextualising this research, but it provided a palette of ideas which helped in structuring the research questions and provided a guide for analysing the findings in order to further understand the Tshwane-Kungwini amalgamation.

The crux of this research report was mainly to explore the merger and respond to the most important question of the report, which is, 'How has the Tshwane – Kungwini amalgamation addressed the problems of local government in Kungwini local municipality?' As an exploratory study, findings of this report are not definitive and entirely conclusive. This chapter responds to the main research question and provides the concluding remarks on the Tshwane-Kungwini amalgamation. Reflections on key points which were presented in the literature of this report are also provided. The chapter considers the usefulness of the amalgamation in the light of the report's findings and its limitations, and on the idea of creating big metros in Gauteng.

5.2 Research question

How has the Tshwane – Kungwini amalgamation addressed the problems of local government in Kungwini local municipality?

The Tshwane-Kungwini amalgamation has legally made the Tshwane municipality responsible for the operations of the entire metropolitan area that it covers. With the incorporation of the former Kungwini local municipality (KLM), Nokeng tsa Taemane local municipality (NTLM) and Metsweding district municipality (MDM) as a whole, KLM no longer faces local government problems. If problems do persist, which they do, those problems now belong to the COT. It was assumed that in opting for municipal amalgamation, the problems of KLM and the district would be addressed. Municipal amalgamation was seen as a means to address local government problems in the district (including KLM).

The amalgamation attempted to address these issues by absorbing the municipalities and taking over all the associated debts, liabilities and service backlogs. COT has taken the responsibility of absorbing Kungwini's administration and all of its operations which includes employees, documents, policies, tariffs and rates. It has aligned these with its own line departments to ensure uniformity and elimination of duplication and conflict. This was also to ensure that Kungwini and the other incorporated municipalities complied with COT municipal goals, visions and strategic objectives.

The findings and analysis of the research confirm the expected findings stated in chapter one. The data provided in chapter three shows that Kungwini was a poor municipality which had a largely low-income population, with low levels of education, poor financial standing and a weak economy. The findings also suggest that the amalgamation was burdensome to COT due to all the debts and transitional costs of the merger (Informant A, MDB – GIS; Informant D, MDB – CEO; Informant E, COT; Informant F, National Department of COGTA; Bannister and Sutcliffe, 2014).

5.2.1 Sub – questions

A. What is municipal amalgamation in South Africa and how is it beneficial for municipalities?

As stated in the findings, municipal amalgamations in South Africa are mainly defined as the determination and demarcation of municipal boundaries. The demarcation of municipal boundaries in South Africa is mainly informed by the criteria of the Municipal Demarcation Board. The findings show that some studies were conducted to aid the advancement of the Tshwane-Kungwini case, however, not enough evaluation was done to have a full scan and understanding of the associated components such as the costs which are involved to amalgamate as well as the exact state of the administration of the affected municipalities.

Noting that there have not been any hard data supporting the expected benefits of amalgamations for municipalities, some of the perceived benefits that are mentioned in the literature and from the informants are: cost savings, improved service delivery, opportunity to conduct services at larger scales such as spatial planning and local economic development.

B. Why was Kungwini amalgamated in Tshwane and what problems were identified?

When it comes to the rationale for this amalgamation, I have realised that there are two factors which should be noted, these are – motives and influences. The motives to amalgamate may differ from country to country however, the influences are similar because they are all emanating from the theoretical arguments and expected outcomes of the amalgamation debate. For South Africa, the Tshwane-Kungwini amalgamation was triggered by a need to move away from cross-border municipalities, as well as to establish city regions and overall create financial viability and fix dysfunctionality of municipalities. This prompted a study to be conducted by professor Robert Cameron and the Municipal Demarcation Board to find out whether the said motives warrant a need to amalgamate. The studies, as already mentioned, identified urbanisation between Kungwini and Tshwane, as well as maladministration and dysfunctionality in Kungwini. Most of these problems were discovered even during the amalgamation as stated by Informant E (COT).

C. Why was it expected that the amalgamation would fix these problems?

The amalgamation theoretical arguments have a strong influence on the expectation of amalgamations to fix Kungwini's problems. Since it deals with boundaries, the assumption was that it is the best tool to fix problems of a municipality which was crippled by the apartheid's spatial fragmentation policy. The idea of creating city regions would be a huge advantage to position South African regions in the global economy and this was seen as a possibility through amalgamations which would help combat the problems of local government. However, the findings and the literature show that there are more intricate factors which are at play, therefore suggesting that financial viability and functionality of municipality cannot be simply attained through the alteration of municipal boundaries (Khumalo and Ncube, 2016). In light of this, Khumalo and Ncube (2016) add that there is no direct relation between amalgamations and the viability of municipalities.

D. Has the amalgamation process solved these problems?

As stated in chapter four, due to a lack of available information and studies on this case, it is difficult to state whether or not the amalgamation solved Kungwini's problems. The data and information presented in this report however, indicated that the problems were merely passed on to Tshwane to handle, and based on the protests and the inquiry lodged by the SAHRC on the lack of access to housing occurring in Tshwane, it appears that the problems still exist. Considering that Tshwane is a bigger municipality with more capacity, there is a standing assumption on that it has the ability to solve these problems. This has created assumptions that with Kungwini now under Tshwane, service delivery has now improved by virtue of being under a bigger municipality, thus making the amalgamation successful in solving these problems. The data to examine this perception however is not covered in this report. However, based on my findings, the amalgamation has not solved all these problems of Kungwini. The provision of better systems to Kungwini and some services show that Tshwane has put in effort to fix the problems of Kungwini, however, as shown by the findings, these problems still exist.

E. Is the same administration still running the Kungwini area and how is it performing now?

Tshwane's regional strategy has established seven regions in the municipality. Region seven, which is where most of Kungwini sits, is run by a combination of Kungwini and COT workers. The protests in Kungwini suggests that many are still distraught by the lack of services in the area, therefore suggesting that the area is still performing badly, however, the exact state of this performance is not clear.

F. Were there any problems or oppositions that may have emerged from after the amalgamation?

Some of the prominent problems which emanated from the amalgamation are the transitional costs and the protests from the residents Kungwini against the amalgamation. As stated, COT complained about the high costs which were associated with the amalgamation of all the municipalities. These were driven up by the incurred debts, litigations and backlogs of the municipalities not only in services but also in the system used to operate in the municipalities. Residents also complained about the high costs of services imposed by COT through systems such as prepaid meters for electricity. Lastly, the Democratic Alliance was against the amalgamation stating that it was unwise to amalgamate areas which are so far apart from each other.

G. What benefits did the amalgamation bring for Tshwane?

The findings show that the amalgamation was hardly advantageous for Tshwane due to the marginal benefits which have been recognised. Due to the high costs which were incurred by Tshwane, it appears that the amalgamation was largely burdensome for the municipality. However, it has been noted that it has been beneficial because it is meant to be receiving a higher equitable share. In addition, the full ownership of the upmarket residential estates and the land from the incorporated municipalities means that COT's tax base will increase along with the revenue coming from the residential estates, other properties and businesses. Acquiring more land from the merger also presents COT with the opportunity of pursuing more economic development such as through agriculture, tourism etc.

H. What impacts did the amalgamation have on planning?

The report has identified that the amalgamation's impact on planning entails some of the following points.

- The management of the expanding middle-class areas where planning was not done properly by the former Kungwini municipality.
- Imposing bulk infrastructure costs on COT since it has to service the incorporated areas.
- Provision of overall strategic planning which was lacking on the part of Kungwini and the rest of the municipalities.

5.3 Reflections and Conclusion

It is clear that the departure from cross-boundary municipalities and the city regions concept, which were a strategy to deal with financial non-viability, incapacity and service delivery issues in the Gauteng province, were the main factors which gave impetus to the amalgamations in this context in the post-2000 period. International debates also played a large role in influencing amalgamations in South Africa in the pursuit of equity, economic efficiency, improved service delivery, bigger budget provision and reduced expenses. A missing argument for developing countries, however, is the concept of capacity, which in South Africa is very important as an argument for amalgamations. Despite the profound arguments for big consolidated municipalities, the outcomes are, nevertheless, often limited, questionable and lack support from empirical evidence (Askim *et al*, 2004; citing Dollery and Fleming, 2006). Although findings are not conclusive the same situation appears to apply to the Tshwane-Kungwini amalgamation.

Nevertheless, bigger municipalities are in a better position to redistribute resources more equitably, but the unintended consequences on amalgamations have revealed that bigger municipalities can be less locally responsive, as illustrated by the service delivery protests (Mudzuli, 2016). The unintended consequences also point to the limited input of communities in the demarcation process. It is not clear that bigger municipalities can save more costs because, while trying to filter out duplication of work and administration, more employees are required to offer services to a now much larger municipality, with a heterogenous population.

Amalgamations are a good idea for creating a municipality which can engage in wide-ranging planning activities such as regional spatial development frameworks. In the Tshwane-Kungwini case, this level of planning has been very helpful, seeing that it lacked a great deal in Kungwini.

As stated in the findings chapter by Informant D (MDB, CEO) and Informant E (COT), Tshwane's way of operation has not been accepted by the residents from the incorporated municipalities. The protests from the residents against increased municipal bills indicates that they cannot afford the rates. This shows that regardless of a municipality's capacity, municipal amalgamations are not an answer to all local government problems. While the absorption of debts, service backlogs and the provision of better systems from COT serve as an indication that the merger does have the potential to fix Kungwini's problems, it is not conclusive that the amalgamation was completely a success (Informant E, COT).

The literature chapter included a discussion of the Toronto amalgamation case by Bird and Slack (2013) who evaluate the extent to which costs can be saved through the establishment of a bigger tax base and the realisation of scale economies. It suggested that the amalgamation failed to establish a strong tax base as well as to save costs. Similarly, for Tshwane, it is assumed that because its population is huge, a strong tax base will be established from which the residents from the incorporated municipalities can benefit. However, the tax bases coming from Kungwini, Nokeng Tsa Taemane and Metsweding municipality do not make a big difference to Tshwane's tax base, because their economy and the population was poor (Bannister and Sutcliffe, 2014). It can be noted however, that in this case, the area can survive and improve over time, under a better municipality.

Based on the findings, I find that there must be a strong requirement to conduct a thorough investigation on the affected municipalities, where a full analysis on the possible costs of the amalgamation is undertaken. This is important to ensure that all costs are foreseen and no unexpected transitional costs that could disrupt service delivery emerge.

As recommended by Khumalo and Ncube (2016), it is critical to make use of policy, legislation, and capacity building measures to ensure that problems of dysfunctionality are dealt with. Sometimes mismanagement and a poorly built administration is the main problem which cripples a municipality.

Therefore, capacity building measures can ensure that the administration can perform its functions, and problems such as corruption can be eradicated. The MDB criteria should involve pursuing the above-mentioned options and other alternatives, instead of solely re-determining municipal boundaries. Furthermore, successful amalgamation cases which are supported by empirical evidence must serve as case studies for subsequent amalgamation proposals.

Lastly, the process of amalgamation should involve more planners since they have a deep understanding of community engagement which is essential when amalgamating municipalities. The perception-based study presented out by Tavares (2018) has revealed that most case studies in Canada and Australia show that citizens were ambivalent of amalgamations and saw no favourable assessments in improved services which linked back to amalgamations. The engagement of citizens is beneficial for hearing opinions on amalgamations and ensuring that they are informed of the decisions being made and how these can affect them. Planners have a knowledge of the importance of governance and how this can be properly integrated to ensure that the levels of democracy are not negatively impacted by municipal amalgamations. Additionally, the planning and management of the provision of bulk infrastructure and overall strategic planning which was previously absent means that more planning is required to ensure that these areas are functioning and services properly.

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7. Appendices

Appendix A: Questionnaire

Name:

1. What is municipal amalgamation in South Africa and how is it beneficial for municipalities?
2. Why was Kungwini amalgamated into Tshwane and what problems were identified?
3. Why was it expected that the amalgamation would resolve these problems?
4. Has the amalgamation process resolved these problems?
5. Is the same administration still running the Kungwini area and how is it performing now?
6. Were there any problems or oppositions that emerged after the amalgamation?
7. What benefits did the amalgamation bring for Tshwane?
8. What impacts did the amalgamation have on planning?

Appendix B: Participation information sheet

PARTICIPANT INFORMATION SHEET
[ASSESSING THE TSHWANE – KUNGWINI MUNICIPAL AMALGAMATION PROCESS]
City of Tshwane Municipality



Dear Sir / Madam

My name is Unathi Kabale and I am currently a full-time student studying towards a master's degree in Development Planning in the School of Architecture and Planning at the University of Witwatersrand. As part of my academic studies, I am required to complete a research project and I would be grateful for your assistance in undertaking my research.

I am assessing the Tshwane – Kungwini municipal amalgamation process. The purpose of this research is to understand why this amalgamation process happened and whether the objectives of this amalgamation process were met.

Since you have some knowledge on the amalgamation process, I would like you to take part in a one on one interview. I will ask you about the two municipalities and the process involved to perform the amalgamation. I will also ask you about the problems encountered during and after this process and how the area is currently being managed by the municipality. The interview will take approximately an hour of your time, and it will be conducted at a place convenient to you or a nearby public space].

I would like to record the interview by taking handwritten notes and using a digital recording device/my cellphone. I will only audio-record the interview if you give me your consent to do so.

Your participation is entirely voluntary, and you may refuse to answer any questions that make you uncomfortable and withdraw at any time without penalty or loss. You will receive no payment or other incentives for your participation. Apart from taking some of your time, your participation should not involve any costs or risks to yourself.

Your participation will be completely anonymous, and the results of the interview and your personal views will not be linked to you in the final report. However, your organisation may be identified. If I use direct quotations from this interview, please note that your identity will not be revealed, however I will refer to your position. Any comments that you make that you deem 'off the record' or similar will not be quoted.

The research is being undertaken solely for academic purposes and the information from the interview will be kept confidential and will not be shared with anyone. It will be securely stored in digital form with all identifying feature removed. Once I have obtained all the necessary information, I will present and analyse my findings in a Research Report, which will be submitted for examination at the end of the year. Once it is completed, it will be stored electronically on the Wits Library system.

If you have any questions during or afterwards about this research, feel free to contact me on the details listed below. This study will be written up as a research report which will be available online through the university library website. If you wish to receive a summary of this report, I will be happy to send it to you. If you have any concerns or complaints regarding the ethical procedures of this study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email hrec-medical.researchoffice@wits.ac.za

Yours sincerely,
Unathi Kabale

Researcher:
Unathi Kabale, 1118345@students.wits.ac.za, 0818939213

Supervisor:
Prof. Alison Todes, Alison.Todes@wits.ac.za, 011 7177702

Appendix C: Consent form



FORMAL CONSENT FORM

I hereby confirm that I have been informed by the student researcher of the purpose, procedures, and my rights as a participant. I have received and understand the Participant Information Sheet.

I have also been informed of:

- ☐ the reasons why I was selected to participate in the research project
- ☐ the nature of my participation in the form of an interview
- ☐ the place and duration of the interview
- ☐ the voluntary nature, refusal to answer, and withdrawing from the interview
- ☐ no payment or incentives
- ☐ no loss of benefits or risks
- ☐ my identity will be kept anonymous
- ☐ the information I provide will be kept confidential
- ☐ how the information will be used and disseminated

I AGREE / DO NOT AGREE to participate by undertaking the interview

I AGREE / DO NOT AGREE to audio-recording of the interview

Participant signature

Date

Researcher signature

Date



Appendix D: Ethics clearance certificate

**SCHOOL OF ARCHITECTURE AND PLANNING
HUMAN RESEARCH ETHICS COMMITTEE**

PROVISIONAL CLEARANCE CERTIFICATE
PROTOCOL NUMBER: SOAP044/06/2019

PROJECT TITLE: Assessing the Tshwane – Kungwini municipal amalgamation process

INVESTIGATOR/S: Unathi Kabale (Student No: 1118345)

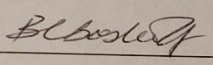
SCHOOL: Architecture and Planning

DEGREE PROGRAMME: Master of Science in Developmental Planning

DATE CONSIDERED 16 October 2019

EXPIRY DATE: 16 October 2020

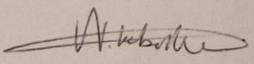
DECISION OF THE COMMITTEE: Approved

CHAIRPERSON 
(Dr Brian Boshoff)

DATE: 18/10/19

cc: Supervisor/s: Alison Todes

DECLARATION OF INVESTIGATORS
I/We fully understand the conditions under which I am/we are authorized to carry out the abovementioned research and I/we guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to resubmit the protocol to the Committee.


Signature

09/03/2020
Date

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