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Beyond Compliance:
Investigating the strategic function of the Integrated Development Plan (IDP) in Gauteng

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Beyond Compliance: Investigating the strategic function of the Integrated Development Plan (IDP) in Gauteng

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A Research Report Submitted to the Faculty of Engineering and Built Environment, School of Architecture and Planning, University of the Witwatersrand, Johannesburg in partial fulfilment of the requirements for the Master of Science in Development Planning.

Johannesburg, 2009 (February)

DECLARATION

I declare that this research report is my own unaided work. It is submitted in partial fulfilment of the degree of Masters of Science in Development Planning at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any other degree or examination in any other university.

……..

Msizi Reginald Myeza

04 February 2009

ABSTRACT

In South Africa, the post-apartheid era has seen municipalities tasked with major developmental goals, including addressing economic growth. Such a task must be seen in the context of globalisation and managing service delivery to reduce apartheid era backlogs in poor, former African areas. Harrison (2000) argues that this led to a series of legislation for municipalities to be established which brought to the fore the concept of Integrated Development Plans (IDPs). These are, essentially, long and medium term strategic planning tools.

For the last seven years, IDPs have been topical in the review of local government, as well as in context of assisting municipalities to strategically respond to their developmental challenges. In spite of its wide range of benefits, many municipalities are yet to accept strategic planning as a management tool or an approach to effective management of the organisation-environment relationship. The need to do so was recognised in 2005 by the Panelists at the Gauteng IDP Hearing when it called for a synthesis of strategic planning practices in the IDP process (Department of Local Government, 2005).

This report, however, goes beyond synthesis of the concept of strategic planning. It attempts to analyse the planning and decision making systems that are currently used by Gauteng municipalities. It investigates the extent to which municipal IDPs have gone beyond compliance with legislative regulations to becoming firmly embedded as a strategic tool for decision-making and management, resource allocation and operations of municipal departments. This will be done through looking at the case study of the Westrand District and Emfuleni Local Municipalities IDP processes in the province of Gauteng from 2000-2008.

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GLOSSARY OF TERMS

ANC	African National Congress
BCG	Boston Consulting Group
CFO	Chief Financial Officer
CoHWHS	Cradle of Humankind World Heritage Site
DLG	Department of Local Government
DMA	District Management Area
DMM	Deputy Municipal Manager
DPLG	Department of Provincial and Local Government
EC	European Commission
ELM	Emfuleni Local Municipality
GDS	Growth and Development Strategy
GE	General Electric
GEAR	Growth, Employment and Redistribution
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IMF	International Monetary Fund
LGNF	Local Government Negotiation Forum (LGNF)
Maycom	Mayoral Committee
MEC	Member of the Executive Committee
MFMA	Municipal Finance Management Act
MPOs	Measurable Performance Objectives
MSA	Municipal Systems Act
MTEF	Medium Term Expenditure Framework
NCOP	National Council of Provinces
NGOs	Non-governmental organisations
NHS	National Health Service
NP	National Party
NPM	New Public Management
OECD	Organisation for Economic Co-operation and Development
OPEX	Operating Expenditure
PIMS	Planning and Implementation Management Support

PMU	Project Management Unit
PPPs	Public-Private Partnerships
RSA	Republic of South Africa
SANCO	South African National Civics Organisation
SAPs	Structural Adjustment Programmes
SDBIP	Service Delivery and Budget Implementation Plan
SDM	Sedibeng District Municipality
SWOT	Strengths, Weaknesses, Opportunities and Threats
UK	United Kingdom
WB	World Bank
WRDM	Westrand District Municipality
WW II	World War Two

THE STRUCTURE

The structure of this report is easily accessible, with self–contained and well cross-referenced sections and chapters. This enables the reader to access specific information, while the incremental layering of concepts aids those reading the research report cover to cover. The research report is made up of five chapters. These are clearly outlined in Section 1.10. Chapter Outline: page 23-24.

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DEDICATIONS

This research report is in memory of my late brother Bafana Myeza and to all my relatives who did not live long to witness this day.

CHAPTER 1: INTRODUCTION

1.0. BACKGROUND

Strategic planning is one of the most valued management tools for turning organisational dreams into reality. It is defined as the process by which organisations determine long-term directions, formulate and implement strategies to accomplish long-term objectives while taking into account relevant internal and external environmental variables (Andrews, 1980; Wright et al, 1998; Mintzberg, 1978, 1994). Many private and public sector organisations use the strategic planning process to create and clarify their vision and mission; guide their decisions about resource allocation to competing priorities; and strengthen competitive positions. The overall purpose of strategic planning, according to Armstrong (1982), is to create and maintain organisation-environment alignment.

The 1960s was the decade when the concept of strategy begun to be rooted in business thinking. In particular, Ansoff's seminal book Corporate Strategy (1965) is significant in this respect. The time was favourable as there had been a rise in interest in long-range planning. This was essentially about extending the budget. Corporate planning embraced the whole organisation, was linked to both long- and short-term plans and entailed the idea that organisations are able to shape their futures (Hussey 1982).

However, corporate planning too proved to be problematic. A new term, 'strategic planning', was introduced, with the idea that strategy should be at the heart of the process, and although operational planning and strategic planning should be intertwined, the latter should dominate (Hussey 1998, 7–9). There was also a realisation that rational planning needed to be integrated with other administrative systems, and that attention must be paid to the fact that mere formulation of a plan does not ensure implementation and feedback (Joyce, 1999:9; Flynn and Talbot 1996; Poister and Streib 2005).

There was also a realisation that the public sector had fallen behind in its interest in strategic planning when compared to the private sector. In the 1970s the public sector faced a number of challenges such as oil crises, demographic shifts and tax cuts (Bryson and Roering, 1988; 1995). Strategic planning became a dominant theme in transforming public administration (Frances Berry and Wechsler, 1995:159).

As a response, public institutions attempted to maintain the quality of public services by applying business-like principles to government, especially good governance which was propounded by the World Bank (Borins, 1995), adopting market mechanisms (Walsh, 1995), and utilizing alternative service delivery (Glover & Burton, 1998). These principles were championed by proponents of the 'New Right' (Pierson, 1991), 'public choice' (Self, 1993), and the 'New Public Management' (Hood, 1991, Borins, 1995) all of whom advocated for the reduction of government intervention into the workings of the market economy.

1.2. SOUTH AFRICA'S LOCAL GOVERNMENT TRANSITION TO DEMOCRACY

In 1992, an aspect of South Africa's transition to democracy began at both national and provincial level. The African National Congress (ANC) and the National Party (NP) agreed to the formation of a Local Government Negotiation Forum (LGNF), which was representative of the statutory structures (national, provincial and local) as well as South African National Civics Organisation (SANCO). These deliberations led to the following: an agreement on local government finance; a Local Government Transition Act of 1993; and a chapter in the interim Constitution (De Visser, 2005:60). In the area of policy formulation and legislation, a White Paper on Local Government (1998) was developed, which chartered the way forward ensuring a shift from a non-development, subservient and illegitimate level of government to a developmental, autonomous and democratic sphere of government (ibid).

The landmark National General elections held on 27 April 1994 brought into being new government institutions, statutory and policy changes, as well as management and administrative systems and processes (RSA, 1996). The aim of this full-scale transformation programme was to establish a state capable of fulfilling a daunting developmental mandate (ANC, 1994 and 1995).

Three distinctive, although inter-dependent and interrelated, spheres of government namely, national, provincial and local, were established to undertake the developmental mandate of South Africa (RSA, 1996). The Constitutionally based system of governance replaced the pre-1994 racially based, hierarchical and mostly centralised arrangement of government. The old government system was characterised by, for example, a duplication of government departments, a myriad of local level government administrations and homelands, all of which were supported by their own different planning legislation (Ministry for Provincial Affairs and Constitutional Development, 1998).

The new government's mandate for the state machinery also included the strategic management of integrated development planning across the three spheres of government to address the basic needs of the poor and achieve associated vibrant economic growth to fund development and redistribution programs (ANC, 1994; The White Paper on Local Government; DPLG, Minister Mufamadi's, Speech, NCOP, 2004).

1.3. WHAT IS AN INTEGRATED DEVELOPMENT PLAN?

Integrated development planning, although not mentioned by name, was enshrined in the Constitution as the primary developmental instrument. The White Paper on Local Government (1998) laid a strong foundation for the development of municipal level Integrated Development Plans (IDPs), with *strong strategic planning* as a central element.

When the IDPs were conceptualised, the assumption was made that all available resources, albeit limited, were to be mobilised to ensure the efficient, effective, accountable and sustained development of a large segment of the population who lived without basic services such as housing, water, sanitation, electricity, transport and education. The challenge was to take a country characterised by underdevelopment, with millions of people classified as poor, without income and living under the bread line, to an ideal situation where everybody would have a better quality of life (Naidoo, J 1995:6).

An Integrated Development Plan (IDP) is a five-year strategic development plan for a municipality and serves as the principal strategic management instrument. It is legislated by the Municipal Systems Act 2000 (MSA) and supersedes all other plans that guide development at a local level. In line with the National Department of Provincial and Local Government (DPLG) and MSA (Municipal Systems Act 2000), the IDP approach has to conform to specific methodological principles.

It also has to reflect the priority needs of the municipality and its residents and ensure that available resources are used in an objective-orientated manner. The plan should be strategic and based on an informed and implementation-orientated process. It must be specific enough to inform budgets, business plans and land use management decisions within the municipality. This process is facilitated through the application of specific methodological tools, designed to support the integrated development planning process. The approach was greatly influenced by strategic planning and the New Public Management (NPM) ideals (adapted from Harrison, 2001).

The strategic importance of IDP was also reiterated by President Mbeki in his 2007 State of the Nation address. He said: "*IDPs defined by statute as the principal strategic planning instrument which guides and informs all areas of development*". He further said IDPs are an important tool that would assist municipalities, together with their communities, to decide on visions and strategies and the programmes and projects required to translate these visions and strategies into reality.

1.3.1. The purpose of IDP

The purpose of IDP is to provide a framework for integrated service delivery - economic and social development - within the municipality. It is important to recognise that the responsibilities for local government has widened from service delivery to include long-term strategic objectives such as poverty reduction, social and economic development, and the greater importance accorded to citizen participation in those activities (Marais, Everatt and Dube; 2007). Municipal IDPs must consider this expanded mandate.

In doing so, the IDPs play an important transformative role, as well as prioritising a developmental agenda and emphasising the importance of co-operative governance. Integrated Development Plans (Department of Provincial and Local Government IDP brochure, (undated) cited from www.thedplg.gov.za on 09 January 2009):

i) *Contributes toward eradicating the development legacy of the past by being the local strategic mechanism to restructure our cities, town and rural areas*.

Integrated development planning ensures that:

- A shared understanding of spatial and development opportunities are created;
- Specific pro-poor strategies are being pursued;
- An overview of planned public and private investment is provided;
- Mechanisms to promote social equality through participatory processes of democratisation, empowerment and social transformation are put in place; and
- Instruments to address sustainability in its three facets: ecological, economic and social, are created.

ii) *Operationalises the notion of developmental local government*.

The IDP ensures that local government transformation can take place by making sure that:

- Integrated and sustainable projects and programmes are formulated;
- The foundation for community building is laid and a strategic framework that facilitates improved municipal governance is in place;

- A conduit for attracting investment is provided for by elaborating on clear and agreed upon medium term financial and capital investments;
- More effective and efficient resource allocation and utilisation takes place; and
- Political accountability and municipal performance can be monitored and evaluated against documented decisions.

iii) *Fosters a culture of co-operative governance.*

The IDP is a mechanism for alignment and co-ordination between different spheres of government and sectors of development because it:

- Serves as a basis for communication and interaction between spheres and sectors;
- Ensures accountability and partnership by debating concrete issues, planning and resource allocation decisions;
- Harnesses all public resources of the three spheres of government, behind common goals within a framework of municipal support;
- Promotes integration of sectorally divided departments at local level; and
- In this way, co-operative governance is encouraged so that service delivery to the most needy can be expedited.

1.4. PROBLEM STATEMENT

In South Africa, the post-apartheid era has seen municipalities tasked with major developmental goals, including addressing economic growth in the context of globalisation and managing service delivery to reduce apartheid era backlogs in poor, former African areas. The most recent round of legislation for municipalities (South Africa, 2000) has established a requirement for long and medium term citywide planning in the form of IDPs (Harrison, 2006). IDPs are very topical in a current review of local government. Such a review takes place in the context of disproportionate abilities /capacities of municipalities – to reconsider the significance of IDPs so as to assist municipalities to strategically respond to their developmental challenges.

Against this background, this study aims to do two things.

- **Firstly, investigate the extent to which municipal IDPs have gone beyond compliance with legislative regulations to becoming firmly embedded as a strategic tool for decision-making and management, resource allocation and operations of municipal departments, and**
- **Secondly, assess the successes in performance of the Gauteng municipalities in utilising integrated development planning as strategic tools as was expected by the**

In spite of its managerial benefits, however, many municipalities have yet to accept strategic planning as a management tool or an approach to effective management of the organisation-environment relationship. The need to do so was recognised in 2005 by the Panelists at the Gauteng IDP Hearing when it called for a synthesis of strategic planning practices in the IDP process (Department of Local Government, 2005). This study, however, goes beyond synthesis of the concept of strategic planning by analysing the planning and decision making systems that are currently used by Gauteng municipalities.

In undertaking this investigation, the researcher recognises that municipalities in the province have interpreted and internalized the concept of integrated planning and responded differently to the challenges that confront them.

Specifically, the study investigates selected municipalities: namely, Emfuleni Local and Westrand District Municipalities to report the state of the practice of strategic planning in relation to their IDPs. The attempt is also made to show that successful IDPs are not simply about legislative compliance but also respond to challenges that a particular municipality (context based) is facing and thus guides municipal management.

Furthermore, this research report also documents evidence emerging from municipalities that shows that there is an urgent need for a shift towards a deeper understanding of IDPs as the principal strategic planning instrument – so as to guide and inform all areas of development, decision-making and municipal management. The research report also looks at how different factors have hindered IDPs from becoming a strategic tool.

1.5. RESEARCH QUESTIONS

In understanding the above, it will be possible to grasp the limits and potentials of IDPs in their application as principal strategic planning tools for municipalities, to decide on visions and strategies – and the programmes and projects required to translate these visions and strategies into reality. Therefore, the main research question for this study is:

- **To what extent do IDPs operate as strategic tools that guide decision-making, municipal management and operations of municipal departments and Councils?**

This research question can be divided into the following sub-questions:

- How successful the municipality is (following a strategic planning approach (IDP)) in managing its affairs on a detailed basis?
- How municipalities interpreted and internalised the concept of IDPs?
- What are the main priorities of the municipality?
- To what extent does the IDP achieve, or hold the potential for achieving, the developmental objectives and outcomes/impacts of the municipality?
- What has hindered IDPs from becoming a strategic tool?
- Is the IDP part of the political agenda in municipalities?

1.6. INTERVIEWEE PERSPECTIVES

The interview question about the IDP differed slightly between municipal officials, local government practitioners and Councillors – especially Members of Maycom responsible for Finance and those serving in Caucuses and Section 79 Committees. Civil servants were asked the following questions:

- Is the municipality following a strategic planning approach in managing its affairs?
- How have IDPs been used to guide decision-making and municipal management?
- How has different legislations and others factors such as institutional fragmentation hindered IDPs from becoming a strategic tool?
- How has the municipality interpreted and internalised the concept of IDPs?
- Is there a collective understanding in the municipality that IDP is an overall strategic planning tool?

For councillors, the following questions were asked:

- What are the main priorities of the municipality?
- To what extent does the IDP achieve, or hold the potential for achieving, the developmental objectives and outcomes/impacts of the municipality?
- When political caucuses meet, is the IDP part of the agenda?

These questions can be understood both from the point of view of each sector department's strategy work and from a municipal-wide point of view. Both viewpoints were addressed in the interviews, the first directly and the other indirectly as the interviewees assessed the quality of the IDP as a starting point for strategy work.

1.7. RATIONALE

Besides the vast challenges that existed when the IDP concept, introduced seven years ago in Gauteng, the IDP process has provided the opportunity for municipalities and the other spheres of government to discuss and agree on long-term visions and strategies. The concept has also put into practice clear priorities guided by a set of appropriate indicators to provide an environment conducive to positive and sustainable development in the province.

Also, notwithstanding the existing legislative requirements and guidelines on integrated planning, the trends emerging from various Gauteng Department of Local Government reports suggest that municipalities in the province have interpreted and internalised (all at various levels) the concept of IDPs differently (Akanya Development Solutions, 2005). This concept of strategic planning has prompted much literature on improving the state of planning and finding alternative service delivery models in the country.

It was with this in mind that this research report was conceptualised. This study is not about an evaluation of IDPs or its implementation, **but to investigate the extent to which they have been used as a strategic tool to guide decision-making and municipal management**. It should be noted that while government documents were used, it is acknowledged that much of its work has not been published. This makes it difficult to subject the process to critical scrutiny and review. By design, this research report reflects a sample of Gauteng municipalities in order to better understand broader constraining and facilitating dynamics, processes and actors. This text presents findings, based on the research and field interviews. It also reflects the limits of the data emanating from both officials and citizens. It includes a description and analysis of the current state of affairs, and recommendations for improving strategic planning of IDPs.

1.7. RESEARCH METHOD

The research methods used can be divided into two broad categories; namely desktop study and empirical studies supported by interviews, devised to specifically address the aims and questions of the research report, through the understanding that will be developed from the conceptual and theoretical frameworks.

The first category is the *desktop research*. A desktop study of international perspectives on the genealogy of strategic planning and New Public Management will be undertaken. A desktop

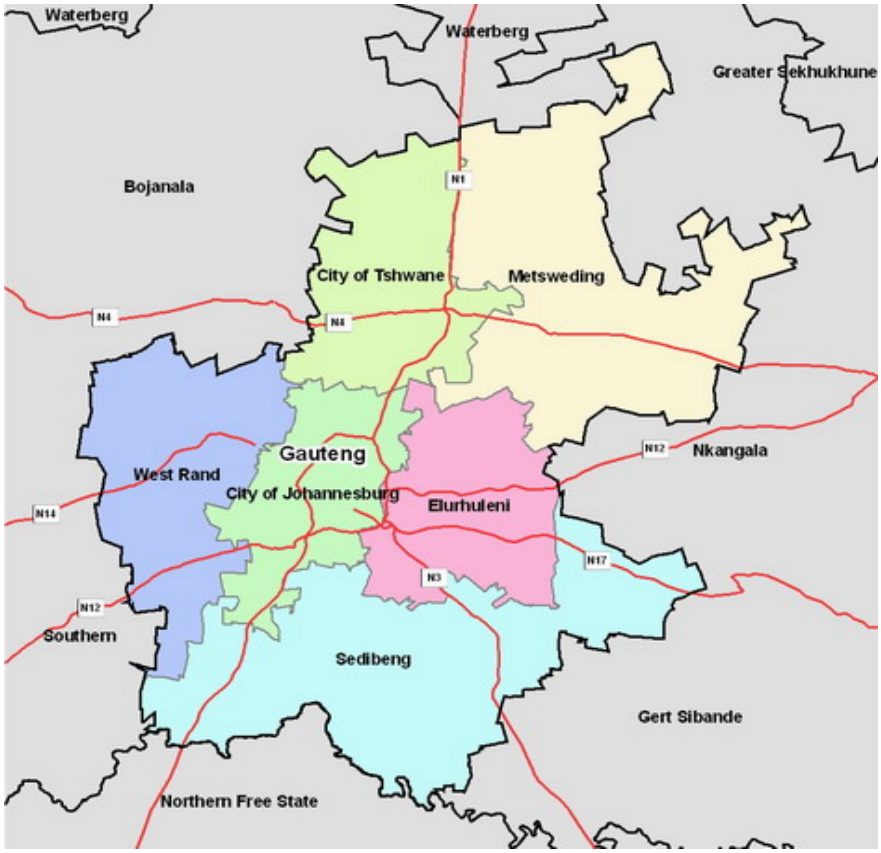
study of the legal and policy framework in South Africa and the Gauteng Province was undertaken. This included an analysis of legislations such as the Municipal Systems Act (2000), the Municipal Structures Act (1998), the Municipal Finance Management Act (2003) and policy documents such as the White Paper on Local Government (1998), and the documentation produced in the ambit of the Gauteng City Region-initiative.

The second category is in the form of *two case studies*, i.e. Westrand District (regional scale) and Emfuleni Local (municipal/local scale) municipalities, undertaken to investigate the validity and applicability of the principles extracted from the theoretical overview.

Furthermore, the two case studies were selected in order to explore various themes in relation to the research questions, while the theoretical framework is intended to highlight crucial debates with regard to strategic planning and IDPs. It is only through empirical work that the impacts and implications of the implementation of strategic planning can be grasped. Moreover, the following issues informed the selection of the case two studies:

- Both municipalities have been able to develop and adopt IDPs since their introduction in 2000:
    - IDPs for the ***district municipality*** need to be developed in close consultation with its local municipalities and to perform a strategic function as well as a coordinating role in the region towards harmonising and aligning the plans (MSA, 2000).
    - IDPs for a ***local municipality***: an inclusive strategic plan for the development of the municipality (MSA, 2000). .
    - IDPs perform different functions for the district and local municipality.
- Both municipalities face different challenges:
    - Emfuleni Local Municipality (ELM) is recovering from financial difficulties. How IDP, as a strategic tool, has, or has not, aided the municipality to redress these challenges is an important question. What has also complicated matters in Emfuleni Municipality is the fact that since 2006, the municipality has not enjoyed stability at a political level and it is also experiencing high vacancies of key senior management posts.
    - Although Westrand District Municipality (WRDM) has enjoyed relative stability in terms of leadership (politically and administratively) the region is experiencing a decline in the economy due to the closure of gold mines.

Figure 1: Map of Gauteng Province



Source: Demarcation Board website

Besides the aforementioned economic related challenges, these two municipalities (which form part of the case study for the research) are experiencing a challenge of keeping up with demands for basic services, namely: housing, water, and sanitation which is not so different from the challenges that prompted the introduction of strategic planning in the public sector in UK post WW II (1960).

Furthermore, *interviews* were undertaken with development practitioners who are familiar with the field of IDPs and who could provide background information as to the introduction and value of the strategic planning in the South African context; and municipal officials who were responsible for the preparation, review and implementation of these plans. The choice of who was to be selected for the interviews was quite simple, either IDP managers, local government practitioners or an official working in the municipality. In terms of 'sampling', 'purposeful

selection' or 'criterion-based selections' (Maxwell, 2005:88) were used as guidelines. All officials were to be in office (currently employed by the municipality) at the time of selection or needed to have been in office for not more than ten years - due to the fact that IDPs have only been in existence for the last nine years. While it is acknowledged that in general there is a high staff turnover in the South Africa's public sector, another criterion was experience: interviewees should not be newcomers (in the post less than a year) or a junior official in the municipality.

It is further interesting to mention that, besides the non-availability of some of the targeted respondents, issues of language barriers were non-existent. Basically the point, here is that, there was no need for an interpreter in any of the discussions conducted, which minimised the possibility of misquoting the respondents. It is worth mentioning that interviews with respondents from the case study municipalities (administrators and politicians) were coordinated with the assistance of the IDP managers, which minimised possibilities of intimidation and mistrust.

1.8. RELIABILITY OF THE FINDINGS

Efforts were made to broaden the information base by increasing the number of respondents but this was only partially successful. Although several interviews were organised it was difficult to obtain the views from the other senior officials (other than IDP Managers) who contributed in the development of the municipal IDPs and strategic planning processes in the municipality.

About 10 interviews were organised with selected people from both case study municipalities – including: IDP Managers, Chief Financial Officers, Maycom members, councillors serving in political caucuses and also local government practitioners both from the private and public sector. These people were: Rashika Padarath (Director: Municipal IDP, Gauteng Department of Local Government), Mayur Maganlal (Executive Director: Planning and Integrated Planning, South African Local Government Association), Andile Skhosana (Development Strategist, Mukhaha Consulting Engineers) and Graeme Gotz (Specialist Research and Policy, City of Johannesburg), Clinton van der Merwe (Geography Lecturer, Wits University) as well as local government practitioners.

1.9. ETHICAL CONSIDERATIONS

The researcher has been involved in the planning field in Gauteng since 2005, and this enabled him to observe and to participate in the assessments and implementation of integrated development planning in the Province from 2005 to 2008. The research was also part of the

Department of Provincial and Local Government (DPLG) and Gauteng Provincial IDP Assessment/Analysis processes which took place in 2006, 2007 and 2008 – with the researcher having had first hand experience of information – mainly contained in the filing and information system of the Gauteng Department of Local Government: Municipal Integrated Development Planning Directorate. However, this research report is a partial requirement for the Masters of Science in Development Planning and all the views expressed are his own.

Also, none of the names of participants have been identified unless they provided permission to the researcher to do so and also on request, electronic copies of the research will be made available at the end of the research process and material will then be destroyed. Furthermore, it is critical to mention that most interviews were undertaken during the period of political unpredictability; therefore a decision was taken that the names of interviewees especially councillors will not be published as part of the final report unless permission is granted. Also, the findings of this research report will be made available to both case study municipalities, if requested.

1.10. OUTLINE OF CHAPTERS

Chapter 1 deals mainly with introducing the topic, and in explaining the intentions as well as the objective of the study.

Chapter 2: This chapter discusses strategic planning, New Public Management (NPM) in relation to the IDP process (strengths, weaknesses and international experience). Furthermore, it will discuss the genealogy of the Integrated Development Planning in South Africa as a strategic tool to guide municipalities as well as the issues of compliance/ adoption, legislative/ policy changes and other problems with IDPs. It is also critical to note that this chapter does not attempt to discuss each concept in detail but to summarise and capture the critical themes which are significant for the subsequent chapters, which will assist in providing the framework to pursue the task at hand.

Chapter 3: This chapter commences with a description of the case studies selected. It also analyses those features that had a bearing on the South Africa's local government transformation especially in relation to the concept of IDPs as a key strategic planning tool to assist municipalities in confronting underdevelopment challenges. An attempt is made to condense the

most significant principles from this overall analysis. Two municipalities in Gauteng have been chosen as a focus of this research report, namely: Westrand District Municipality (regional scale) and Emfuleni Local Municipal (municipal/local scale).

Chapter 4: This chapter analyses the findings of the case studies in relation to the key principles extracted in chapter 2 on the relationship between strategic planning NPM and the IDP. It also discusses key issues and considerations for municipal strategic planning, as identified from the case studies. It also reflects on the interviewee perspectives of IDPs and strategic planning. This section will deal with formal institutional issues such as institutional mechanisms and relationships, as well as the human dimension of institutions, which includes leadership and organisational culture. The chapter also examines typical planning processes and their components (e.g. participation). Included here are references to planning mechanisms, as well as the link between the strategic planning process and such mechanisms (e.g. implementation planning and budgeting). And, to conclude, the chapter looks at the brief overview of typical content considerations.

Chapter 5: This final chapter discusses the methodological conclusions, the lessons and principles extracted from the specific case studies, and the degree to which the findings address the key research question and the hypothesis made at the beginning of this research report. It also offers some thoughts on the value of these findings; on what needs to be done to ensure that IDPs take centre stage and to better perform their strategic functions originally intended. Where possible, repetition will be avoided by cross-referencing elements common to more than one category of the conclusions.

CHAPTER 2: THEORETICAL REVIEW

2.1. INTRODUCTION

This section is in three parts. Firstly, it reviews the theory and empirical research on formal strategic planning systems and New Public Management as an effective tool for strategic management. It also reviews the concepts of strategy, strategic planning, and strategic planning systems as well as the relationship between strategy and formal strategic planning in the public sector context.

Secondly, it discusses the introduction of strategic planning in South Africa's local government in the form of the IDPs. It reflects on the various forces and challenges that shaped the transformation of municipalities in South Africa, i.e. the concept of a developmental state. Furthermore, an attempt will be made to reflect on the South African interpretation of strategic planning during its public sector reforms post 1994, the philosophy of NPM provided for municipal management and the impact of this adopted approach for Gauteng municipalities. It concludes by looking at the criticism/ failures of IDPs in relation to NPM.

Thirdly, this chapter closes with a discussion on the connectedness of strategic planning, NPM and IDP. The empirical content of municipal IDPs is analysed in the following chapter in the context of South Africa's administrative reforms. It is also critical to note that this chapter does not attempt to discuss each concept in detail but to summarise and capture the critical themes which will assist in providing the framework to pursue the task at hand.

2.2. WHAT IS STRATEGIC PLANNING?

Blackerby (1994) defines strategic planning as "... a continuous and systematic process where people make decisions about intended future outcomes, how outcomes are to be accomplished, and how success is measured and evaluated." He further states that strategic planning must include a mission (vision) statement, a needs assessment, strategic objectives (goals), outcome measures (to measure the success of achieving the objectives), strategies to achieve the objectives, and procedures to measure actual and planned performance.

Strategic planning is a management tool. Bryson (1995) states that, as with any management tool, a strategic plan should ensure that members of the organisation are working toward the same goals. Strategic planning serves as a framework for decisions or for securing support/approval. It

also explains the business to others in order to inform, motivate and involve as well as benchmarking and performance monitoring, and assessment in order to adjust the organisation's direction (if necessary) in response to a changing environment.

In short, strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organisation is, what it does, and why it does it, with a focus on the future (Adapted from Jack, 1989 and Bryson, 1995).

It can also provide an understanding of what it is not. For example, it is about fundamental decisions and actions, but it does not attempt to make future decisions (Steiner, 1979). Strategic planning involves anticipating the future environment, but the decisions are made in the present. This means that over time, the organisation must stay abreast of changes in order to make the best decisions it can at any given point - it must manage, as well as plan, strategically (Steiner, 1979).

Strategic planning has also been described as a tool - but it is not a substitute for the exercise of judgment by leadership. Ultimately, the leaders of any enterprise need to sit back and find the answer to: "What are the most important issues to respond to?" and "How shall we respond?" (Steiner, 1979; Grant, 2005). Interpreted broadly, the strategic approach is part of New Public Management's (NPMs) performance orientation, meaning that it permits the organisation to focus more clearly and consistently on its high-priority goals and leads to a more intensive pursuit of the results that are deemed to be of the greatest importance (Pollitt and Bouckaert 2004: 27).

Finally, strategic planning, though described as disciplined, does not typically flow smoothly from one step to the next. It is a creative process, and the fresh insight arrived at today might very well alter the decision made yesterday. Inevitably the process moves forward and backward several times before arriving at the final set of decisions.

2.2.1. Strategic Planning in the Private Sector

a) Competition

In the 1960s and 1970s, strategic planning was viewed by executives in the private sector as the best way to ensure productivity and profits. The assumption was that everything that was of potential value to decision-making and strategic planning could be measured, and that after subjecting those measurements to various quantitative models, results would show executives the best strategies (Ansoff 1956; Steiner 1969; Andrews 1971 and Grant, 2005).

In the early 1960s, professors Kenneth Andrews and C. Roland Christensen of the Harvard Business School contended that strategy could be a potentially powerful tool for linking business functions and assessing a company's weaknesses and strengths in relationship to its competitors' strengths and weaknesses.

General Electric (GE) emerged as a pioneer in the area of corporate strategic planning and developed a high-powered staff of full-time strategic planners to direct GE's planning efforts. With the assistance of McKinsey and Company, GE was organized into strategic business units (SBUs) and strategic plans were developed for each SBU (Porter, 1980; Mintzberg, 1994).

In 1963, the Boston Consulting Group (BCG) pioneered a variety of strategic approaches that became popular with executives. Two of BCG's approaches were the "experience curve" and the "growth and market-share matrix." The trust of executives in strategic planning models increased throughout the 1970s, and perhaps peaked with the publication of "*Competitive Strategy*", by Harvard professor Michael E. Porter in 1980.

Porter's books and articles continue to have an influence on many executives, university students, and professors. By the early 1980s, some executives began to feel that the return on their investment in the development of large strategic planning departments had been a disappointment. Also, the increase in computer technology and globalisation of industries caused increased complexity in those industries, and the strategic models of the 1960s and 1970s could not deal with the complex dynamics of the new market place (Mintzberg 1994).

In the 1990s, corporations began to focus on process reengineering and downsizing as a way of increasing operational effectiveness even more. Process Reengineering, an idea authored by Hammer and Champy (2001) was accepted by many as an additional strategy toward increased productivity.

2.2.2. Strategic Planning and the State

a) State intervention

After the Second World War (WW II), there was much talk of planning in a general sense-that is, state intervention in, and playing a more active role in, the managing and planning of social and economic affairs generally as part of the changed political climate (Taylor, 1998; Harrison, 1998). The catalyst was the Great Depression which shook the belief of many in Adam Smith's

‘invisible hand’ and gave powerful impetus to those, for example, the economist John Maynard Keynes, who argued for greater state intervention in the market and for a higher level of planning (Harrison, 1998:251).

The 1930s had introduced scientific rationalism into planning in a far greater measure than ever before. By the late 1930s, there was a clear and unresolved tension in planning between the scientism of the economic planners and the romanticism and creativity of other traditions within planning (Harrison, 1998). Reconstructionism within planning was about the application of a technical rationality for the betterment of society.

In the late 1950s the idea of planning as rational decision-making was being developed at the University of Chicago. In 1995, Banfield and Meyerson had defined good planning in terms of the logical, rational and efficient pursuit of a particular end. Such planning would involve: comprehensive analysis of an existing situation; identification of all possible alternative strategies for the future; determination of all the consequences that might follow from each strategy; and comparative evaluation of the consequences so as to select the most rational course of action (Harrison, 1998).

Kauffman and Jacobs, 1987 cited in Harrison 1998, refer to this kind of planning as “strategic planning”-inspired by developments in the military and corporate sector which reacted to the grand ideals of comprehensive planning by focussing on an attainable strategy within a rapidly changing environment. These environmental and organisational changes were also aggravated by the increased interconnectedness of the world. The 1970 oil crisis made countries realise that their economies are part of the world economy and that events abroad have domestic repercussions (Bryson, 1995:4).

During the last decade or so there has been a significant shift in the way public services are organized and run. Modern public services, and the associated profession of public administration, have their origins in the expansion of state run services in the 19th century. Core values in the public service ethos, built up over more than a century, include a concern for sound procedures, proper accountability of public servants to elected politicians, consistency of treatment and fairness, and a caring concern for the clients of services (Laurence, 2006).

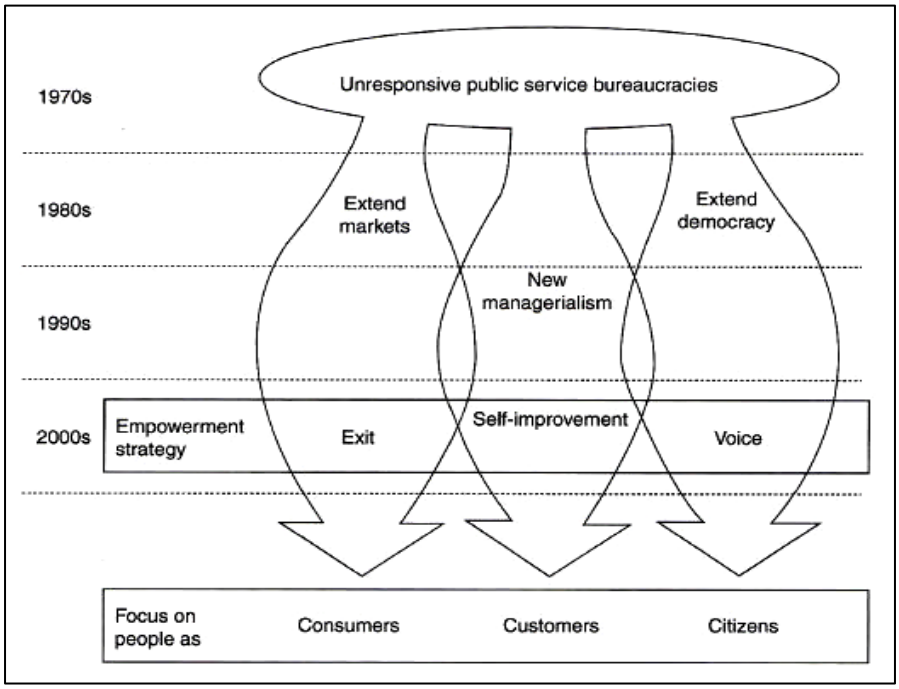


Figure 2: shows the three currents of change which have characterised public service reform strategies in the last twenty years or so (Walsh 1995 adapted in Hambleton, 2004).

The first broad alternative, associated in the 1980s with the radical right (Thatcher), seeks to challenge the very notion of collective and non-market provision for public need (Walsh 1995). Centring on the notion of privatisation it seeks to replace public sector led service provision by the private sector. The second alternative, shown on the right of *Figure 2*, aims to preserve the notion of public provision, but seeks a radical reform of the manner in which this provision is undertaken. Thus, it seeks to replace the old, bureaucratic paternalistic model with a much more democratic model, often involving radical decentralisation to the neighbourhood level (Burns, Hambleton and Hoggett, 1994).

The dominant theme for organizations in the twenty-first century is strategic and organizational innovation, and issues include reconciling size with flexibility and responsiveness. New approaches for strategy focused on growth through mergers/acquisitions and joint ventures, generation of innovative ideas through decentralized strategic efforts within the company, emergent strategy, and the leveraging of core competencies to create strategic intent exist (Hammer & Champy, 2001).

A study conducted by the Organisation for Economic Co-operation and Development (OECD) concluded that new management techniques and practices involving market-type mechanisms associated with the private for-profit sector were being used to bring about changes in the management of public services in countries that have widely varying governance, economic and institutional environments (OECD, 1993). These practices and techniques have conventionally been labelled the 'New Public Management' (NPM) or the new Managerialism (Hood, 1991; Pollitt, 1993; Ferlie et al., 1996; Laurence, 2006; Christensen and Laegreid, 2000).

A number of factors impelled the rapid growth of interest in public sector management. Among the most prominent were the national economic crises of the 1970s and 1980s, which opened disconcerting gaps between government outlays and revenues and suggested the need for more tight-fisted management of public agencies (Bryson, 1995; Mintzberg 1994). Other contributing factors included heightened expectations for effective government on the part of citizens around the world following the end of the Cold War; growing interdependence within the global economy, which increased pressures for efficient regulation and reliable and frugal administration of government functions (Caiden, 1991) cited in Laurence, 2006:1); and growing popular appeal of neo-liberals, that is to say, business and market oriented, ideologies, policies, and political programmes intended to reduce the scale, scope, and fiscal appetite of governments.

b) Improvement

In both the UK and New Zealand political leaders embraced a set of ideas that would lead to major institutional change in the public sector. Their two main sources of inspiration were public choice theory and agency theory, both of which had been developed by economists (Friend, and Jessop, 1977, Boston et al 1996).

Public choice theory applies the assumption of self-interested rationality to both bureaucrats and politicians. Just as businesses seek to maximize profits, bureaucrats are assumed to maximize their departmental budgets, and politicians to maximize their chances of re-election (Boston et al 1996: 17-18). This theory predicts that bureaucrats will expand their empires and politicians will use the public purse to confer benefits on interest groups, with the consequence that the public sector will grow at the expense of the private sector, and that a host of regulations and subsidies will be put in place that will reduce economic growth (Boston et al 1996: 17-18).

The agency theory analyses social and political relationships as a series of negotiated contracts between principals and their agents. The nature of these contracts depends on both the information available to principals and agents and their bargaining skills. In the case of politicians (as principals) and public servants (as agents), it was felt that the public servants had exploited their informational advantage. Politicians in both the UK and New Zealand wanted to reshape their relationship with public servants in a way that would offset that advantage (Boston et al 1996: 18-21).

To summarize, in the UK and New Zealand, the dramatic improvements and reforms in the public service included privatization, structural reform separating operating agencies from policy ministries, financial management reform, and initiatives to improve service quality (Boston et al 1996, Osborne and Plastrik 1997, Pollitt and Bouckaert 2000).

c) Good governance and Citizenship Engagement

Governance is the process of decision-making and the process by which decisions are implemented. According to the United Nations Economic and Social Commission for Asia and Pacific (UNESCAP), good governance has eight major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society (www.unescap.org accessed on 19 December 2008)

Furthermore, as Jessop (1997a) argues, governance is also the complex art of coordinating action to achieve particular goals in a turbulent economic and social context, where there are competing interests at work. The most popular interpretation of governance is that it is considered a remedy for a decade of economic liberalism, market forces and private interests that failed to deliver higher economic growth and standards of living in the 1980s, otherwise described as the 'Washington consensus'. Governance provides an alternative to new and major extensions of state powers to regulate and restrain market forces in the interests of community.

Osborne and Gaebler (1992) describe efforts to improve government performance by including communities in the process of service delivery and giving them more control, sometimes even turning responsibility for service delivery over to communities themselves. Their examples show

how bringing communities into the picture empowers the people who are the intended recipients of services and results in better performance. For example, community-oriented policing, through which police collaborate with neighbourhoods, and street committees to address their most pressing concerns, has been very effective in many places, such as Zola in Soweto (author's own experience).

The reasons listed for the need for strategic planning in the public sector internationally, supported Mintzberg's conclusion that government institutions found themselves in multifaceted environments during which they have to constantly make sense of a complex flow of events (Sotarauta, 1997: 4). By 2000, Healey (2004:45) pointed to another pertinent reason for the revival of the need for strategic planning as the constant challenge of the co-ordination of public policy in specific localities, efforts to make urban regions more economically competitive and improving the access to opportunities for groups residing in specific localities.

Furthermore, according to Healey (2004:45), strategic planning could strengthen the inputs of municipal government or regional bodies in the multi-level European governance landscape and increases the chances to obtain resources from higher government levels and assist regions and communities repositioning themselves in relation to forces unleashed by, what Goldsmith called the *"… increasing interdependence of the world economy … (since the 1980s)"* or globalisation and local dynamics Healey (2004:45).

It is apparent from the above conception of "good governance" that there is some emphasis on improving public-sector management systems. Thus, in the good governance prescriptions, one finds public management reforms as a key component pointing towards market and private sector approaches to public sector management, under the pretext of New Public Management (NPM).

2.3. NEW PUBLIC MANAGEMENT (NPM) OVERVIEW

In the 1980s a new paradigm of public management called New Public Management (NPM) or 'lean state' emerged (Hood, 1991; Larbi, 1999). The term NPM came into use at the beginning of the 1990s to describe public sector reforms in the UK and New Zealand, as a conceptual device invented for the purpose of structuring discussion of changes in the organisation and management of government. In the UK, for example, increased pressures forced the government to cope with economic problems, including high rates of unemployment and inflation, and with long-standing criticism of the quality and efficiency of public service (Larbi, 1999).

In the light of the problems stated above, (at least until the mid 1990s in the case of many Organisation for Economic Co-operation and Development (OECD) countries) and drastic external environmental change characterised by the OECD (1995:21) as 'deregulation and internationalisation', the role of the public sector was being severely questioned and pressures for management change in the public sector was strengthening.

According to the OECD (1995) and Pollitt (1995), "a new paradigm for public management" had emerged, with eight characteristic 'trends':

(1) strengthening steering functions at the centre;
(2) devolving authority, providing flexibility;
(3) ensuring performance, control, accountability;
(4) improving the management of human resources;
(5) optimizing information technology;
(6) developing competition and choice;
(7) improving the quality of regulation; and
(8) providing responsive service.

The main hypothesis in the NPM-reform wave is that more market orientation in the public sector will lead to greater cost-efficiency for governments, without having negative side effects on other objectives and considerations. Osborne and Gaebler (1993:34) argue that this transformation of the public sector involves less government (or less rowing) but 'more governance' (or more steering). NPM compared to other public management theories, is more oriented towards outcomes and efficiency through better management of public budget (Hood, 1991).

Hood (1991:3-7) is of the opinion that NPM is not a uniquely British development and that its rise '*seems to be linked with four administrative megatrends*'", namely:

- Opposition parties stressing lower taxes and attempts to minimise the growth of the state sector, in particular in staffing and spending;
- A shift to privatise non-core government functions and softening the division between public and private sector work;
- Growth in the use of technology and automation, giving political party strategists more autonomy in policy-making, relative to the comments from public officials; and

- The development of a more international agenda which focuses on general issues of public management, policy design, decision styles and intergovernmental co-operation, in addition to the traditional country's application of public administration.

Hughes (1998) has described the change in approach as follows– "It is argued this [move] represents a paradigm shift from the traditional model of public administration, dominant for most of the [20th] century, to 'managerialism' or new public management; the theory of bureaucracy in its governmental context is being replaced by economic theories and provision by markets. As the reform programme progresses in different countries it appears more evident that the days in which formal bureaucracy and the traditional model of administration characterised government management are rapidly passing."

Furthermore, Hood's choice of words that NPM: "*seems to be linked* with four administrative '*megatrends*'" implies that further research to substantiate it is required. This section postulates however, that the first *megatrend* is a political motivation for reform. The second, third and fourth *megatrends* are manifestations or examples of NPM and reform frameworks designed by political reformers to correct imperfections in public administration and management and govern themselves out of an undesirable situation. Hood summarises seven overlapping precepts, which he observes, appear in most discussions of the "*doctrine*" of NPM (Hood: 1991:5-5):

Table 1: ***Hood's description of the doctrinal components of new public management.***

Doctrine	**Meaning**	**Typical Justification**
Hands-on professional management in the public sector	Active, visible, discretionary control of organisations by specific persons at the top, who are 'free to manage'	Accountability requires clear assignment of responsibility for action, not diffusion of power
Explicit standards or measures of performance	Definition of goals, targets, indicators of success, preferably expressed in qualitative terms, especially for professional services	Accountability requires clear statement of goals; efficiency requires "hard look" at objectives
Greater emphasis on output controls	Resource allocation and rewards linked to measured performance; break-up of centralized bureaucracy-wide personnel management	Need to stress results rather than procedures
Shift to desegregation of units in the public sector	Break up of formerly "monolithic" units, unbundling of uniform management systems into corporatised units around products operating around products operating on	Need to create "manageable" units, separate provision and production interests, gain efficiency advantages through contract or franchise arrangements inside as well as

Doctrine	Meaning	Typical Justification
	decentralised on-line budgets and dealing with one another on arms-length basis	outside the public sector
Shift to greater competition in the public sector	Move to contracts and public tendering procedures	Competition as the key to lower cost and better improved standards
Stress on private sector styles of management	Move away from military-style public service ethic, greater flexibility in hiring and rewards; public relations techniques	Need to use "proven" private sector management tools in the public sector
Stress on greater discipline and economy in resource use	Cutting direct costs, raising labour discipline, resisting union demands, limiting "compliance costs" to business	Need to check resource demands of public sector and to "do more with less"

Source: Hood, C. Public Administration. Vol. 69 Spring, 1991

Hood's description of the typical justification of NPM is meaningful. Unfortunately, he does not describe the undesirable circumstances, which prevailed in particularly the principal reform countries, at the time when the reformers in those countries had to revert to drastic measures to govern their countries out of an undesirable situation. Had he done so, it would have been obvious that NPM is not *new*, but rather that it represented, at the time, emergency and extreme governance interventions that were instituted by reformers to salvage an unsatisfactory situation. Furthermore, NPM was not identified as a distinct approach in government but its introduction required courageous leadership (Hood: 1991).

Drawing from public choice theory, from the new institutional economics, and from recent management theories (especially business motivation theories), the NPM seeks to apply market principles to governmental administration, with an emphasis on competition, contracting, and customer orientation (Adamolekun, 2005:5). It also emphasizes merit-based recruitment and promotion and increased autonomy for managers ("letting managers manage") with corresponding responsibility, performance related pay, continuous skills development and upgrading. There is also an emphasis on performance measurement, with particular attention to the delivery of services to the public (Adamolekun, 2005:5).

Harrison (2006) summarised the strategies associated with the 1980s-NPM approaches as follows: professional and flexible top management; separation of policy formulation from operations; public sector departments were carved-up into business units; outsourcing and tendering in service delivery and individual performance management. However, the individual

was given preference, fragmented government institutions emerged and strategic planning was replaced by short-term ad hoc projects.

Kickert (1997:18) is of the opinion that managerial reform in Western public services has the following three characteristics in common. They are: business management techniques, service and client orientation and market-type mechanisms such as competition. Regarding the underlying rationale for the introduction of NPM, Temmes describes it in following model (Temmes, 1998: 442):

Table 2: Underlying rationale for NPM to achieve particular outcomes

Main elements of NPM	**Reform rationale**	**Outcome**
• Creation of competitive market-type service delivery mechanism • Corporatisation of public organisations • Privitisation of public services	To transfer the performance services which could be performed by either of the two sectors, to the private sector. Reduction of the size of the public sector	Government is responsible for policy making and performs core public service functions
• Emphasise management of public institutions • Personnel management decentralised to sphere of managerial influence • Decentralisation of service rendering institutions, commercialisation of services and emphasising quality services	Managerial know-how would enhance the production and service delivery processes of government. Managers must be given more freedom to manage in order to ensure positive outcomes	Political control over public service rendering has been reduced Private sector organisation culture for public services; a "client" and service supplier relationship for public services exist

Source: Temmes, 1998: 442

It could, therefore, be deduced that NPM was not seen as an administrative reform but a combination of interconnected reform policies and approaches, to attain reform goals as well as part of a reform framework to provide a particularly flexible managerial approach (Temmes, 1998: 442)

From the classification of Temmes (1998), NPM is a means to attain particular outcomes, e.g. to reduce political control over public institutions which render services, to introduce a new organisation culture to render services to "clients" and enhance the accountability of public managers. Conversely, where routine functions need to be maintained a traditional application of public administration and management will probably suffice.

As one of the “powerful development agencies” in support of NPM’s 1990s “collaborative governance”, the IMF had to pause and assess the effects of their Structural Adjustments Programmes (SAPs) application in the third world. These policy changes were conditions (conditionalities) for getting new loans from the IMF or World Bank, or for obtaining lower interest rates on existing loans. Conditionalities were implemented to ensure that the money lent would be spent in accordance with the overall goals of the loan. Therefore, the Structural Adjustment Programs (SAPs) were created with the goal of reducing the borrowing country's fiscal imbalances (Tsikata, 2002). These programmes include internal changes (notably privatization and deregulation) as well as external ones, especially the reduction of trade barriers. Countries that fail to enact these programmes were subjected to severe fiscal discipline (Tsikata, 2002).

The IMF acknowledged that the SAPs were overemphasizing the economy and neglected or retarded social development. Critics argued that SAPs did not even increase foreign direct investment as one of the main assumptions of SAPs (Habasonda, 2003; Bracking cited in Simon, 2002). It also argued that financial threats to poor countries amounted to blackmail and that poor nations have no choice but to comply. Furthermore, the SAPs threatened food security due to the sudden switch to cash crops production for export and environmental degradation. Bracking cited in Simon (2002:90) demonstrated that possibly the most important consequence of the SAPs was the direct influence these programmes had over the right of nations to determine their domestic economic and political policies.

Against the background of unresolved “wicked issues” (Rittel and Webber, 1973) and a public sector dealing with them rather ineffectively, an approach referred to widely as “New Governance” gained momentum in the course of the 1990s. In the New Governance reform wave, the network mode of governance gained significant ground at the expense of hierarchical and market-oriented modes, which dominated public sector practices. Key features of the New Governance are, for example, various forms of Public-Private Partnerships (PPPs) or policy networks, i.e. sets of “relatively stable relationships which are of non-hierarchical and interdependent nature linking a variety of actors” (Börzel, 1998: 254). The associated state narrative is often referred to as “enabling state”, encouraging civil society groups to participate in policy making and in service delivery processes (Christensen et al, 2002). However, since some scholars claim that New Governance implies a transfer of power from the state to relatively

autonomous and self-regulating networks, both upwards to the international and downwards to the sub-national level, they prefer speaking of a "hollowed-out state" (Rhodes 2000).

Table 3: Overview on changing public sector narratives from the 1920s to today

Time			
Aspect of change	**1920s - 1970s**	**1980s - 1990s**	**Mid 1990s - today**
Key challenge(s)	Public order and accountability (Legality and legitimacy)	State/administrative failure due to slack (inefficiency)	State/administrative failure due to complexity (ineffectiveness)
Overall approach	"Bureaucratism"	"Managerialism"	Governance
Administrative policy paradigm	Classical Bureaucracy ("Public Administration")	New Public Management	New Governance
State paradigm	Active state ("welfare state")	Lean state ("minimalist state")	Enabling State ("hollowedout state")

(Steurer: undated, pg 4, http://web.fu-berlin.de/ffu/akumwelt/bc2004/download/steurer_f.pdf cited on 23 June 2008)

2.3.1. Spread of New Public Management

The bureaucratic failures of the Keynesian welfare state were highlighted in the UK, Canada, Australia and New Zealand, with private sector solutions sought to remedy the public sector problems. In his review of the globalization of NPM, Common (1998) examines a number of contributory factors including: consultants who promoted NPM with a 'missionary zeal'; the growth in New Right ideology and the global influence it began to exert and the internationalization of privatisation. He also describes the role of international organizations, such as the Organisation for Economic Cooperation and Development (OECD), EU, World Bank and IFM, the United Nations Development Programme, the European Commission (EC), the Inter-American Development Bank, that influence Structural Adjustment Programs (SAPs) and have great power in determining the reform agenda in the developing world. He sets these factors in the context of the debate between policy convergence and policy transfer; however, this research report does not have the scope to address those issues fully (Common, 1998:61; Hughes 1998; Osborne & Gaebler 1993; Pollitt 1995; Bennington, & Cummane, 2000).

2.3.2. NPM in South Africa and other developing countries

As far back as 1978 a number of developing countries had started experimenting with new public management reforms. There are some well-known examples: Malaysia's experiments with total quality management (Common 1999); the results-oriented management initiative in Uganda (Langseth 1995); the creation of 12 agencies in Tanzania which appeared particularly close to the

UK model; and the wholesale restructuring of Chilean education along internal market lines, a far more radical change than anything tried in the UK (Parry 1997).

However, there is no such thing as a standard, unitary new public management model, which countries must adopt in its totality or not at all. The take-up rate varies according to which particular element of it, countries are considering. In general, two of the more commonly adopted elements of the NPM agenda are privatisation and downsizing (or retrenchment, as it is known in Africa). Such initiatives are part and parcel of the economic structural adjustment programmes, which the majority of developing countries throughout the world have undertaken at some point in time; they are often the first stage of public sector reform. Also a substantial number of developing countries have also experimented with the UK-style executive agencies, including Jamaica, Singapore, Ghana and Tanzania (Brown 1999; Common 1999; Dodoo 1997; Mollel 1998).

By the late 1990's, NPM arrived in South Africa. The ruling party's about-turn from socialism to a business-friendly movement provided fertile ground for it to take root. When he stepped out of prison in 1992, Nelson Mandela for instance reaffirmed his belief in the nationalization of the heights of the economy. But three years later he "went out of his way to assure a large group of foreign (and local) journalists that the ANC was now as business-friendly as any potential foreign investor could reasonably ask." [1] This heralded the adoption of the controversial Growth, Employment and Redistribution (GEAR) macro-economic framework, signifying the dominance of thinking along the ideological lines of the World Bank and the International Monetary Fund (IMF).[2] This is when new fiscal constraints on the South African public sector became obvious.

In South Africa, NPM-inspired public service reforms included the downsizing of state personnel, in line with the NPM creed of a 'leaner' public service to achieve cost-effective service delivery. There was a proposed reduction of 300,000 in the number of public service posts.[3] Rationalizing and restructuring (including rightsizing and outsourcing where appropriate) to ensure a unified, integrated and leaner public service was also one of the eight priority areas, which the White Paper on the Transformation of the Public Service (WPTPS), 1997 identified for public service transformation.[4] The shifting of power and authority from central government to the provincial

[1] Cited in Saul, J.S. 1994. "Globalism, Socialism and Democracy in the South African Transition."
[2] Booysen, S. "Transition and Trends in Policy Making in Post-Apartheid South Africa."
[3] Presidential Review Commission, 1998.
[4] Op cit; Fraser-Moleki and H. van Dyk-Robertson, pp. 50.

and local spheres of government, or decentralization, is another critical NPM component, which the Presidential Review Commission advanced as among the expressions of the new culture of governance.

2.4. CRITICISM OF STRATEGIC PLANNING AND NPM

The preceding section has presented some evidence on the application of specific new public management practices in Africa, highlighting not just their benefits but also issues of institutional constraints and capacity in their application. Apart from the above, the optimism of NPM advocates is countered by critics who argue that NPM has produced some disagreeable consequences. In fact, the evidence of superior efficiency claimed by NPM advocates has been questioned in recent years on methodological grounds (Boyne, 1997). A study of contracting and other forms of competition and private provision of public services in six developing countries by Batley concludes that: The presumption that involving the private sector makes for higher levels of performance is given only partial support by the evidence (1996:748).

Le Grand and Barlett (1993) have pointed out that quality in service provision may fall as aspirational professional standards are increasingly replaced by minimalist, economising managerial standards. With too much emphasis on cost reduction, NPM may encourage the pursuit of efficiency in flawed policies with short-term gains, undermining the capacity of the state to take a long-term perspective on issues such as education, technology, health and the environment. These are issues that need to be considered in seeking to transfer NPM to crisis states.

Dunleavy and Hood (1994) note concerns among traditional bureaucrats or hierarchists about the potential destabilising effects of NPM if the processes of change should get out of control, become unmanageable and do irreversible damage to the provision of public services. For developing countries, but not for the World Bank and donor agencies, the price to be paid for such policy mistakes may be great in terms of threats to political stability and loss of economic well being. In the United Kingdom, one of the leading exemplars in NPM applications in the internal market in the National Health Service (NHS) has been criticized as concentrating too many resources on management and paperwork rather than on front-line service provision. This is illustrated by the almost fourfold increase in the number of managers in the NHS between 1991 and 1994, with administration absorbing 10.5 per cent of all NHS costs in 1994, compared to 6

per cent before the reforms (Lacey, 1997:153). Overall, public sector managers are seen as a gaining group (Pollitt, 1993) in the managerial emphasis in reforms.

The above critique of NPM (Dunleavy and Hood, 1994) notes that it may promote self-interest and corruption as policy makers and senior bureaucrats opt for privatisation and contracting out because of increased opportunities for rent-seeking and other forms of misdemeanour. Critics also argue that NPM has led to falling ethical standards in public life with increasing incidence of greed, favouritism or conflicting interests. For developing countries, where patronage systems are more prevalent and accountability mechanisms are weak, the adoption of NPM may lead to more abuses and arbitrary use of discretion (e.g. in contracting).

Pollitt (1993); Bryson (1995) and Boyne (1997) have all argued that many strategic planning processes failed because they ignored the political decision-making and try to circumvent, or even try to counter the political nature of life in private, public and non-profit organisation Furthermore, it is argued that most management innovation failed because they have tried to improve government decision-making and operations by imposing a formal rationality on systems that are not rational, at least in the conventional meaning of the word.

In lamenting the collapse of the welfare state, critics of NPM also point to increasing inequality, as market-type mechanisms produce market niche-seeking behaviour by public service providers (e.g., primary care doctors seeking to avoid those socio-economic groups most prone to illness; good secondary schools biasing their entry procedures toward the children of parents of higher socio-economic groups) (Pollitt, 1993). Thus the cultural and organisational change in social provision, expressed in the concepts of markets and individualism, may arguably create conditions of social exclusion (Mackintosh, 1997). Such reforms may therefore harm most those in need of state provision and welfare safety nets: the poor and the vulnerable.

The introduction of imperfect information and risk by no means entails an irrational element to planning; on the contrary, the rational planner, as far as he or she is rational, must take the limited amount of knowledge and the limited capacity to process it into account. Also, weaknesses that arise due to hierarchically imposed planning procedures; gathering data in this way is limited when tacit knowledge is important to the organization, because this type of knowledge does not lend itself to straightforward analysis (Sandercock, 1997).

Furthermore, Mintzberg (1993) painstakingly dissects what he calls the "fundamental fallacies of strategic planning." For example, while strategic planning attempts to predict or control the future, present forecasting techniques are extremely limited and notoriously inaccurate; while strategic planning requires quantitative data, such data are commonly too limited in scope, too aggregated, too unreliable, and too late to be useful in effective strategy formulation; while strategic planning frequently focuses exclusively on strategy formulation, the success for implementation rests upon people who had nothing to do with creating those plans.

These basic flaws lead to what Mintzberg considers the "grand fallacy" of strategic planning: "Because analysis is not synthesis, strategic planning is not strategy formulation" (1993: 321). In other words, strategic planning is a tool of formal analysis, when genuine strategy formulation requires creative synthesis to combine deliberate, pre-planned strategy with what Mintzberg calls "emergent strategy" — strategy that comes from the way a series of unanticipated and unplanned events converge over time into a recognizable pattern. The art of creating good strategy cannot be reduced into a formal set of procedures called strategic planning: "Ultimately, the term `strategic planning' has proved to be an oxymoron" (1993: 321).

Another limitation of the rational planning paradigm (strategic planning) is that it is focused mainly on predicting the future based on internal interpretations of the external environment, and these interpretations can be biased. Cognitive biases can be the result of culture (and/or past experience) and these biases can result in inaccurate predictions especially during periods of unpredictable change. In these situations rational planning can become ineffective (Friedmann 1987; Sager, 1994; Sandercock, 1997).

Taylor (1998) warns that the fact the proponents of strategic planning have been more concerned with promoting vague ideals than achieving viable outcomes. As a result, planning has lacked a clear definition of its place in organisation and in the government (Mintzberg, 1994). Blackerby (1994) and Wright *et al. (*1998) have also argued that in the private sector, many measures of success relate to the profitability of the company, and all the comparisons have a common basis, two factors that make success relatively easy to identify. However, measuring performance in government organisations can often be difficult. Government managers can seldom measure success of strategic objectives in monetary terms; instead, they must frequently measure success in terms of the percentage increases and decreases in some external effect.

In addition, performance measurements are relevant only in the context of objectives. In the private sector, the board of directors and executive staff usually share similar organisation goals. As Blackerby (1994) states, all stakeholders-stockholders, directors, managers, workers and others-in private sector organisations share the goal of making more money, and all the stakeholders pull the organization in the same direction, toward profitability. Public sector organizations do not have this single directional pull. Instead, public sector organizations typically have multiple directions in their goals, and multiple stakeholders pull the organization in different directions toward different goals (Blackerby, 1994; Wright *et al.* 1998; Bryson, 1995).

There are also complaints about loss of public and traditional channels of local accountability as functions are fragmented among numerous agencies and many are privatised or contracted out to profit-seeking commercial firms (Dunleavy and Hood, 1994). Fragmentation makes accountability and monitoring more difficult. Finally, there is a risk of huge increases in transaction costs as governments and other purchasers struggle to monitor contracts across an increasing and varied number of provider organisations, and new QUANGOs[5] have to be set up to regulate market-type mechanisms.

In practice, as Pollitt (1994) has noted, NPM techniques may work better in some ***contexts*** than others. The public service sector covers a wide variety of activities, some of which have high technological content (e.g., telecommunications) and others low; some are person-centred (e.g., health and education) and some not; some competitive, some very hard to remould into a competitive format. It is important to bear these differences in mind, because they increase or decrease the chances of NPM being a good fit in crisis states.

In some instances the mistake was that it was not used with more consideration for the context in which it was being applied. This is a ***context of a larger economic and social-political environment–economic realities were ignored***, like the effect you get when prices for public services suddenly become visible when services are privatized or simply published. Social and political realities reassert themselves when cost-benefit ratios are ignored in favour of wider considerations. Furthermore it also ignored the realities of a public sector that more often than not is determined by factors like professionals' attitudes. Promising better management does not help when every action the management takes seems designed to erode the trust of professionals, for

[5] "Quango", is the colloquial but better-known designation for "non-departmental public body" which collectively encompasses many roles and perform many functions in all areas and on behalf of government.

instance in health care. So far, the evidence is that NPM leads to more consultation of customers, professionals and employees, but not to more effective performance (Mintzberg 1994, Pollitt 1994, Larbi, 1999).

Given the different and difficult circumstances of reforms in adjusting economies and the potential risks mentioned above, it is doubtful whether ***a universalistic and evangelical approach to NPM is a tenable option.*** Even in developed countries such as the United Kingdom, experience suggests that change towards NPM has not been smooth and linear, but uneven and contested (Clarke and Newman, 1997: x). NPM suffers from a fundamental misunderstanding between a ***value driven and an effectiveness driven approach to government***. The democratic process has more goals than the delivery of services. Perhaps most of all it is about the transfer of values. NPM was a reaction to a perceived lack of effectiveness of the way government works. The rejection of NPM is due because it has never taken root in a social movement representing social values, and as far as it does so, those market-oriented values provide inconclusive direction. They lack for instance aspects like legality and, up to a degree, democracy as leading values for governmental action in a 'state founded on law' (Mintzberg 1994, Dunleavy and Hood, 1994, Larbi, 1999).

Osborne and Gaebler (1993) said that 'putting the customer first' is an essential goal for new public management. To a degree this still needs to be said. Government organizations are always in danger of forgetting those for whom they are working. So there is merit in the metaphor of citizens as customers. But the metaphor is a limited one. Citizens have duties that customers do not. And ultimately it is the task of government to balance conflicting demands against each other. This means that at most birthday parties it is not a popular thing to say that you work for the government: somebody always feels wronged. Yet, this is at the heart of the public challenge – and is the reason that working for the public sector is so much more interesting than working for a company.

In the Dutch example, much of the criticism against the independent organizations was and is based on research results that indicated that five years after the decision to put the organization at a distance, service delivery had not significantly improved. The top salaries of the directors had improved. This, of course, gives rise to cynicism and envy. However, it looks like five years has been too short a time to adequately measure the changes that came about. It is only now, almost ten years after most decisions have been taken, that significant change seems to have come about.

Politicians, for very sound reasons, usually cannot wait that long. Depending on the political culture of a country and the role of for instance the media, a long-term perspective – say, more than one election – cannot be sustained. The claims for a quick success then get in the way of real achievements in the organizations where NPM is introduced (Mintzberg 1994, Larbi, 1999). The above criticisms of NPM and concerns about social cohesion, equity and stability have revived interest in the active role of the state in some aspects of development. The debate is now about how to revitalise the state to enable it to perform its role effectively. As the case in United Kingdom and South Africa shows, the main focus of development policy, the elimination of poverty, could only be achieved through strong and effective developmental states, and that the era of complete hostility to the public sector in general and to state provision in particular is coming to an end (cited in Minogue et al., 1997).

Refocusing on the effective state is given prominence in the 1997 World Development Report, The State in a Changing World, which marks a significant shift in thinking about the state and its role in development: the need to factor the state back into development. There is now some recognition by the Bank that reforming the public sector the NPM way does not lend itself to clear, unambiguous solutions; NPM is not a panacea or universal remedy for all problems in the public sector. The enthusiasm for neoliberal policies and NPM practices that characterised most of the 1980s and early 1990s is now tempered with caution and, in some cases, rejection of the more extreme forms of the NPM approach. There is recognition that imposing one template of reform on all, irrespective of context, is unwise and unimplementable, and may even breed conflict and undermine stability. The way forward is to make the state work better, not to dismantle it. The Bank suggests two strategies. The first is to match the states role to its capability; the earlier mistake was that the state tried to do too much with few resources and limited capacity (Mintzberg 1994, Pollit, 1994, Larbi, 1999).

The second approach is to strengthen the capability of the state by reinvigorating public administration institutions to enable them to perform their enabling, regulating, monitoring and co-ordinating roles. This will entail creating effective rules and restraints, encouraging greater competition in service provision, applying measures to monitor performance gains, and achieving a more responsive mix of central and local governance by steering policies in the direction of greater decentralisation (World Bank, 1997).

The subsequent section of this report will also briefly discuss the adoption of both types of reform mechanism (administrative and participatory) in South African local governments in the form of IDPs.

2.5. SOUTH AFRICA'S LOCAL GOVERNMENT TRANSFORMATION

The 1993 Local Government Transition Act formed the background for the transitional period that took place between 1994 (first General democratic elections), 1995 (first local elections), and 2000 (second local elections, re-demarcation process), 2000 (getting the basics right). This Act is one of the first official texts that explicitly mention Integrated Development Planning as a tool for local municipalities to become the key service providers and promoters of local development, yet with no details regarding implementation.

The 1994 White Paper on Reconstruction and Development is actually the first major milestone in the evolution of local government policy. At the inception of the new democratic South Africa, the government defined and started implementing the Reconstruction and Development Programme (RDP) as the policy framework to promote economic and social development, especially targeting the backlogs and inequalities left by the apartheid era. Particularly, the White Paper identifies local government as a vehicle for taking the RDP forward. It clearly promoted municipalities as the key institutions to implement developmental projects. In 1995, the first democratic local elections took place, establishing the transitional structures that would govern local government until 2000. The Constitution of 1996 establishes the three co-operative spheres of government. It confirms the pivotal role of local government in social and economic development, enhancing democracy, the sustainable provision of services, and the promotion of participation.

In March 1998, while the government was shifting from RDP to GEAR as a macro-economic policy framework and to a neo-liberal line, the White Paper on Local Government established the way out of the transitional phase. Susan Booysen in her article entitled *Transition and Trends in Policy Making in Post-Apartheid South Africa* argues that the adoption of the Growth, Employment and Redistribution (GEAR) by government as a macro-economic framework, signified the dominance of thinking along the ideological lines of the World Bank and the International Monetary Fund (IMF) and this led to the fiscal constraints on the South African public sector. Hence, it was surprising to see the ruling party under the leadership of President Nelson Mandela saying: "*the ANC was now as business-friendly as any potential foreign investor*

could reasonably ask" (Saul, 1994). It confirmed the constitutional and developmental role of local government. The White Paper on Local government promotes integrated development planning, budgeting and performance monitoring, performance management and participation of citizens and partners.[6]

In order to give expression to this commitment government crafted itself into a "Developmental State" that would be a key player in the growth of the economy and in the way in which the wealth of the country was distributed (Seedat, 2002). The reforms in local governments included the legislated adoption of new public management (NPM) administrative tools in the form of IDPs (Harrison, 2002; Andrews 2003). Developmental states therefore have elements of the New Public Management (NPM), which "requires a clear delineation between policy formulation (politicians) and implementation (managers of public and executive agencies; other staff are service deliverers)" (Monteiro and de Tollenaero cited in Edigheji, undated).

2.6. IDPs AND STRATEGIC FOCUS

The White Paper on Local Government, as well as the Municipal Systems Act, 2000, refers explicitly to the need for municipal planning to be "strategic" (Oranje, Harrison, van Huyssteen and Meyer, 2000:15). By this is meant that planning should have a long-term horizon, and that planning should be focused on those prioritised interventions that will have maximum impact on the development of a locality. The call for strategic planning follows from a recognition that resources are limited and that not all problems can be resolved in the short or medium term. The current South African focus on strategic planning is also informed by an international shift away from comprehensive planning, in which an attempt is made to "understand everything and to intervene in everything", to more targeted, realistic, action-oriented and outcomes-focused forms of planning. Strategic plans avoid unaffordable and unattainable comprehensiveness, while still containing sufficient analysis and technical detail to enable the formulation and implementation of programmes that are sustainable, and are able to maximise developmental impacts within financial and other resource constraints (Oranje, Harrison, van Huyssteen and Meyer, 2000:15).

In conceptualizing the IDP, there was an acknowledgement that the strategic planning approach was initially developed in the corporate sector and therefore adjustments will have to be made within municipalities to make it a success in the public sector (Oranje, Harrison, van Huyssteen

[6] This can be seen as a local outcome of the international rise of the concepts of "good governance" and "urban management" (Harrison, 2001; Mabin, 2000).

and Meyer, 2000). This means that a strategic, outcomes-based approach will require a transformation of the bureaucratic nature of most municipalities to facilitate the speedy adjustments required by strategic planning and the building of appropriate managerial capacity.

2.7. INTEGRATION AND COORDINATION

Integrated planning requires a holistic approach that takes account of linkages between sectors and of linkages between various stages in the planning process (including visioning, strategic development, project development, and the monitoring of implementation). It can also be seen that the Integrated Development Planning in South Africa has similarities with many of the international cases, but is also informed by the requirements of addressing the apartheid legacy. So, for example, one of the goals of South African-style Integrated Development Planning is the promotion of integrated urban and rural development (Oranje, Harrison, van Huyssteen and Meyer, 2000).

Other specifically South African concerns relate to the system of 'co-operative government' and the need to link the actions of the many government agencies in the implementation of projects. Among the requirements of integrated development planning in South Africa is the need to:

- Link the many sectoral planning requirements placed on local governments by national legislation;
- Overcome line-function divisions within government agencies;
- Link and balance environmental, equity and economic growth requirements within planning processes;
- Coordinate the delivery of infrastructure and services in specific localities;
- Link visioning, planning, budgeting and the management functions of local authorities (and other government agencies);
- Bring together rural and urban areas within the context of re-demarcated local authorities;
- Coordinate developmental actions between local authorities and between local and district councils;
- Link government's funding programmes with the priorities of local communities;
- Restore the distorted, dysfunctional apartheid landscape; and
- Promote spatial integration of urban and rural settlements.

(Adapted from Palmer Development Group and Van der Schyff Baylis Shai Town Planning, 2003: 18-21).

Clearly, integration is undeniably a very ambitious goal that will be difficult to achieve and will require staff numbers and capacities that do not exist as yet in all municipalities. Certainly, *full levels of integration* cannot be expected in the short to medium term. However, in the long run "integrated development" is more effective and sustainable than an approach that relies on isolated *ad hoc* interventions, and that fails to secure the synergies between the different actors in the development field. Rather than shying away from the challenge, municipalities should begin the process that will *over time* lead to higher and deeper levels of integration (Adapted from Palmer Development Group and Van der Schyff Baylis Shai Town Planning, 2003: 18-21).

Hence, the 2005 National IDP Hearings Report indicated that in order to address the aforementioned, the second generations of Integrated Development Plans (2006-2011) dedicated attention needs to be paid to government capability especially that of local government, as this sphere of government operates "*at the coalface of service delivery.*" Furthermore, the said report also acknowledged that the challenges faced by municipalities (2000-2006) did not only lie in drafting and adopting these plans, but on their implementation and management. There was also a recognition that legislation made it compulsory for local government to develop IDPs for their areas of jurisdiction but like any strategic planning process there are still a number of issues that need to be attended, for example good governance, structured decision-making processes by committee structures and linking IDP to (budget resource allocation).

2.8. STRATEGIC FUNCTION OF IDPS IN SOUTH AFRICA'S LOCAL GOVERNMENT CONTEXT

In South Africa "developmental local government" emphasises that this is achieved through integrated, participatory and partnership-orientated planning and management. All municipalities are now required to draw up Integrated Development Plans (IDPs) that must integrate local developmental objectives into a single vision, and reflect this in specific, measurable implementation plans (Oranje, Harrison, van Huyssteen and Meyer, 2000). The idea of strategic function in the South African local government context calls for a development of a collective rather than just a municipal vision, with a shared understanding of a regional socioeconomic structure, constraints and prospects, within the context of global, regional and national trends. It is also about the promotion of notion of join up structured governance and partnership arrangements between government, business, labour and civil society (Oranje, Harrison, van Huyssteen and Meyer, 2000). Furthermore, this idea is about establishing mechanisms to plan beyond the area

of municipal jurisdiction (i.e. focus on mobility and portability of skills, not just place-bound services and infrastructure).

It further emphasises the importance of alignment of sector policies and plans, managing 'trade offs' between plans, in order to avoid the problems of 'parallel planning' and dedicated focus on the results (outcomes), rather than on inputs and outputs (Oranje, Harrison, van Huyssteen and Meyer, 2000). It is premised on the notion that municipal strategies (IDPs) are aimed at harnessing all possible instruments for implementation, for example: policy, legislation and regulation, fiscal (taxes, fees, charges, incentives), financial (government expenditure, equity), institutional (governance, participation, alignment), public asset management, knowledge management, and advocacy and leadership. Many South African municipalities have begun grappling with these and other issues in an attempt to address the ongoing development challenges.

South Africa and other developing countries that adopted strategic planning share a number of similar characteristics. They all emerged out of a period of intense political and social conflict; both face challenges of building integrated societies with a new identity; both need to increase levels of economic growth, employment and incomes in order to better address issues of deprivation and inequitable distribution of resources (Pieterse et al, 2002).

Also, there must be an acknowledgement that in a divided society, the governance of local communities can be a sensitive issue, particularly in terms of resource allocation. It is sometimes necessary to provide for a phased transition process whereby previously divided local communities can be integrated over a period of time on a negotiated basis. This means that the role of local government needs to be clearly defined and national policy and programmes needs to be clear so as to ensure that the budgets of the various line departments can be integrated into a single development programme, based on a common set of priorities (Pieterse et al, 2002).

In South Africa, the concept of strategic planning in the form of IDPs is both a top-down and a bottom-up process. Probably the most important top-down characteristic is the national and provincial governments mandate that every municipal IDP must be aligned to both the national and provincial budget; and to programmes and that certain functions such as education, safety and security, housing, transport planning and health remains the competencies of these spheres of

government, while municipalities are only responsible for delivering certain services such as sanitation, water, electricity and refuse collection (Pieterse et al, 2002)..

2.9. THEORETICAL STRANDS: PRINCIPLES AND GUIDELINES (STRATEGIC PLANNING, NPM AND IDPS)

This chapter has discussed theories related to the strategic planning (especially in public sector), NPM and their influences in the conceptualisation of IDPs, so the positives and limitations of each concept extracted have been selected for inclusion because they were relevant to the subject of this research report; and generally applicable.

In the context of South Africa's IDPs, strategic planning is perceived only as a part of strategic management, which is 'a comprehensive management approach that integrates planning, implementation, and control systems around the mission and goals of an organisation' (adapted from Pettigrew, Thomas, and Whittington, 2006). To put it even more simply, IDPs are seen as a comprehensive approach to integrating the whole of municipal management within the framework of strategy.

Strategic planning's three main components are plan development, plan execution, and plan review. Many of the functional areas within these components are similar in that all three require a team concept that is based on: ensuring the member's roles are defined, educating team members or role players about the process, and using quality communication when interacting. Although some words used to describe IDPs are different to those generally used by business sector when one talk about strategic planning, IDP and strategic planning are essentially the same thing (Bryson, 1995).

The Integrated Development Plan also uses following terms such as *strategy, mission statement, stakeholder, objectives, key performance indicators, targets, monitoring, evaluation, review, control* similar to strategic planning process in the private sector.

- **Strategy:** represent the broad priorities adopted by the organisation in recognition of its operating environment and in pursuit of its mission. All performance measures should align with the organisation's strategy (Niven, 2003)
- **Mission statement:** defines the core business of the organisation.
- **Stakeholder:** any person or group that has a stake in the success of the organisation. For municipalities stakeholders may include: employees, customers, and clients, funders, elected

- **Objectives:** a concise statement describing the specific things organisations must do well in order to execute it strategy.
- **Key Performance Indicators:** Standard used to evaluate and communicate performance against expected results. Reporting and monitoring measures can help an organisation to gauge towards effective implementation of strategy.
- **Targets:** Represent the desired result of key performance indicators. Targets make meaningful the results that are derived from measurements and provide organisations with feedback with regard to performance.
- **Monitoring:** provides for the systematic collection of information that enables management to evaluate whether satisfactory progress is being made with projects and actions steps aimed at the achievements of performance targets and KPIs.
- **Evaluation:** A process designed to measure whether and to what extent the KPIs and performance targets are impacting on the development objectives. It measures the impact and results of the work in progress and such provides information required to re-appraise performance targets, KPIs and development objectives.
- **Review:** A process undertaken when information on current performance is known, i.e. when monitoring and evaluation have taken place. This information indicates where things are working and where they are not working and thus it informs the planning process, including project planning, design and implementation.

Furthermore, authors such as Bryson (1995), Mintzberg (1994), Larbi (1999) and others have attempted to identify difficulties between private and public sector strategic planning processes and one of the most often-mentioned difficulties in the public sector is the vagueness of goals, either because goals are purposely vague or because goals are hard to specify (Tiili 2008). This vagueness has to do with competing interests, diverse interest groups and the effect of having a constituency (Davidoff, 1965 and Sandercock, 1997). Furthermore, time constraints, or artificial time frames, are difficulties in the public sector. For example, electoral cycles may lead to major decisions being postponed as well as exposure to elections and also greater media exposure than in the private sector lead to hesitation in making decisions that lack public support.

It has been emphasised on a number of platforms that without strong political commitment and buy in from senior officials in the municipality, IDPs are unlikely to make much of a difference particularly if they have ambitious goals such as restructuring the land use pattern or the way in which urban development occurs[7].

As municipalities found themselves in a multifaceted environment and are subjected to public scrutiny; they tended to focus on the intended outcomes and impact and not so much about how it is actually implemented in a specific locality. For example, IDPs were seen as an important strategic tool that would assist municipalities together with their communities to determine their priorities, programmes and projects required to translate their visions and strategies. However, DLG's various reports suggests that in common with any strategic planning process, the difficulty does not only lie in the conceptualisation process of these plans and implementation but in the fact that there was insufficient attention given to the complexity, diversity and evolving nature of the NPM and the implication this has had for public policy in post-apartheid South Africa (Harrison, 2006: 188). Harrison correctly pointed out that IDPs have many of the strengths and flaws of the second wave of NPM approaches associated with the 'third way governance8' (or centre left) planning instruments of the 1990s (2006:202).

IDPs are not merely a product or output, however (although this is often forgotten) what matters is the process of negotiation that should occur between local, provincial and national spheres, around IDP priorities, which is critical in ensuring alignment between need and provision. This process should directly impact on the Medium Term Expenditure Framework (MTEF) process. Thus far, the IDP has failed to do so, signalling the broader failure of provincial and national spheres to adequately understand and accommodate the IDP process (Harrison, 2006). The development of both a strategic plan and the IDP as a precursor is desirable to clearly identify the current status, objectives and strategies of an existing business or the latest thinking in respect of a new venture (adapted from Harrison, 2006). Correctly defined, these can be used as the basis for a critical examination to probe existing or perceived **S**trengths, **W**eaknesses, **T**hreats and **O**pportunities (**SWOT**).

7 Gauteng DLG various reports from 2000 to 2007

8 The Third Way is a term that has been used to describe a variety of political philosophies of governance that embrace a mix of market and interventionist philosophies. Third Way approaches are commonly viewed as representing a centrist compromise between capitalism and socialism, or between market liberalism and democratic socialism.

The DPLG report (2005) indicated that one of the major criticisms of the IDPs has been around the lack of alignment between budgets and planning proposals. For example, municipal budgets tended to have their own lifespan guided by strict budgetary legislation and they were updated on the basis of historic performance requirements in terms of spending and these historic requirements tended to override the strategic planning processes and programmes contained in the IDPs.

Basically, the point that is being made here is that, the strategic focus of IDPs partly depends on each municipality's ability to pay particular attention not only on implementation but also on the intricacies involved around the adoption of NPM principles in the public sector. Furthermore, these planning processes have to recognise that the post 1994 South Africa's public policy formulation and implementation emphasises the need for interdependent and interconnectedness of all the spheres of government, therefore in order for IDPs to perform their strategic focus all these factors need to be considered.

2.10. RESEARCH CONTRIBUTION TO THEORY AND PRACTICE

There are a number of questions that are central in attempting to determine what relevance, if any; this research's findings have for other municipalities in the country and the contribution to the body of knowledge. Firstly, do similar circumstances arise in other municipalities that could be equated to those applying in the chosen context of this study and if so, how could these conclusions assist?

The research report has demonstrated that, without a doubt that although legislation has made it compulsory for local government to develop IDPs, in Gauteng, municipalities utilise IDPs as strategic tools to guide the decision – making, municipal management and operations of municipal departments and Councils. However, like any other strategic planning tools implemented in the public sector elsewhere there is a high potential that its strategic functions might be short-lived if issues such as democratic governance, participatory planning, efficient modern managerial practice, integration (linking IDP to budget resource allocation) as well as structured decision-making processes by committee structures are not attended to. Also, there is a need to ensure that there is a common understanding of the concept especially at senior management level.

The complexity of new economic realities demands a coordinated strategic approach by all the main stakeholders in the public, private and community sectors. Thus, in answer to the main research question, the above conclusion shows that Gauteng municipalities regard IDPs as an integral and key strategic tool for municipal management and decision-making, as well as a democratization instrument to pull together various stakeholders (inclusivity), not only at the final stages, but during the conceptualisation, planning, drafting and implementation process so as to ensure a sense of ownership.

CHAPTER 3: CASE STUDIES

3.1. INTRODUCTION

This section commences with a description of the case studies selected. It also analyses those features that had a bearing on South Africa's local government transformation especially in relation to the concept of IDPs as a key strategic planning tool to assist municipalities in confronting underdevelopment challenges. An attempt is made to condense the most appropriate principles from this overall analysis. Two municipalities in Gauteng have been chosen as a focus of this research report, namely: Westrand District Municipality and Emfuleni Local Municipality.

3.2. METHODOLOGY

The approach adopted, in order to explain the historical development, changing roles of strategic planning, was to use the following criteria:

- the profile in relation to economic downturn (financial crisis);
- the function, structure and roles;
- political governance model;
- administrative arrangements (resources and capacity); and
- IDP approach and prioritisation and resource allocation.

3.3. METHODOLOGICAL ISSUES

Some of the methods, procedures and techniques employed have already been highlighted in the theoretical discussion. Due to time and space constraints, to repeat these are unnecessary. But the questions remain: was it possible to respond to all the methodological ideals presented and if not, what were the obstacles and the coping mechanism adopted to deal with other circumstances? Suffice it to mention that in this case some of these requirements could not be fully satisfied, since some of the respondents targeted were not available for interviews. So, how can these problems be solved?

3.4. SOLUTIONS

It is critical to mention that the case studies could only be conducted as pilot studies so as to test the validity and applicability of principles and themes extracted during the theoretical discussion. Also, during the site visits, it became clear that the issues to be dealt with were uniquely South African (in terms of the history we come from, and how these Gauteng municipalities have reinterpreted the concept of IDP as a strategic planning tool to guide decision making):

adjustments had to be made to grasp the dynamics at play, hence one could not assume that all municipalities have interpreted and internalised the idea of strategic planning similarly, or that they are all at the same level..

During the site visits, it became clear that although strategic planning is a universal concept, some of the issues and problems to be dealt with were uniquely South African (in terms of cultural refraction/unmanageable situation, how municipalities have interpreted and accepted this concept of strategic planning and also the capacity/ability to follow through on it. As a result, adjustments had to be made in order to grasp the dynamics at play.

Historical exploration with regard to the transformation of local government in South Africa post the 1994 general elections was undertaken so as to understand the genealogy of IDPs and where they fit in relation to principles of concept of strategic planning. For the purpose of this research report it was, therefore, decided that perhaps it might be inappropriate for the researcher to embark on measuring progress on the implementation of municipal IDPs, but rather to focus on getting a deeper understanding of strategic planning and the role that IDPs have played in guiding municipalities in all planning, budgeting, decision-making and management processes of day-to-day operations.

3.4. LEGISLATIVE FRAMEWORK GUIDING LOCAL GOVERNMENT

Local Government is a key role player in the development process of South Africa. The local government elections of 5 December 2000 marked the end of Transitional Local Council's (TLC's) and the birth of Local Municipalities having a new developmental role (Pieterse et al, 2002). The Constitution of the RSA states that the objectives of local government are to:

- Provide democratic and accountable government for local communities;
- To ensure the provision of service delivery to communities in a sustainable manner;
- Promote social and economic development; and
- Encourage the involvement of communities and community organisations in matters of local government.

The purpose, "reason for being" of local government in South Africa is defined in the Local Government: Municipal Systems Act 2000 (Act 32 0f 2000) as well as the Municipal Structures Act 1998 (Act 117 of 1998):

- Provision of essential, affordable/sustainable, effective and efficient municipal services;

- Promote social development;
- Promote economic development;
- Development of a safe and healthy environment.

The compilation of Integrated Development Plans (IDP's) is a legal requirement for all municipalities in terms of the Municipal Systems Act, 32 of 2000 (MSA). The IDP is a primary tool for Local Government to cope with its new developmental role. The IDP is a process through which the municipality prepares strategic development plans for a five-year period. It seeks to arrive at decisions on issues such as municipal budgets, land management, promotion of local economic development, and institutional transformation in a consultative systematic and strategic manner. Over and above the compilation of the IDP, the aforesaid Act also stipulates that the IDP be implemented and that its performance be monitored and evaluated by the municipality. Section 34 of the MSA, states that it is the responsibility of the Municipal council to annually review its IDP (Guide pack 6; DPLG, 2002).

3.4.1. Westrand District Municipality

Profile

Westrand District Municipality (WRDM) is one of the districts of Gauteng province of South Africa. The WRDM consists of three local municipalities, namely, Mogale City, Randfontein and Westonaria. It also acts as a local municipality in the District Management Area, popularly known as the Cradle of Humankind World Heritage Site (CoHWHS).[9]

The total population distribution of the entire WRDM area, according to projections by 2005 Global Insight, is 583 000 with an annual growth of 1.7%. According to Census 2001, there are 52.76% males and 47.23% females in the WRDM's area of jurisdiction. According to the WRDM land audit undertaken in August 2006, the WRDM covers an area is 46 968km^2, with Mogale City, Randfontein, Westonaria and the DMA CoHWHS included. A total of 21% of all land within the WRDM vested in the state, local municipalities, parastatal and mining houses. Mining land comprises the largest portion (11%) followed by parastatal organizations (6%), local municipalities (2%), the state (1%), whilst the rest is in private hands. For 2008/09, WRDM has a projected capital budget of R28 731 450 and a projected operating budget of R240 016 500[10].

[9] Extracted from 2008/09 Westrand District Municipality IDP Revision; extracts from the WRDM website www.wrdm.gov.za
[10] Extracted from the Westrand District Executive Mayor's Financial Budget Speech for the year 2008/09.

The Function, Structure and Roles

The functions of a District Municipality as prescribed by Section 84(1) of the Local Government Municipal Structures Act and adjusted by the Minister and MEC responsible for local government in terms of Sections 84(3) and 85 of the said Act respectively, are as follows:

Table 4: District Municipality functions in terms of the Municipal Structures Act

Category of function	**Functions**
Bulk infrastructure	Water
	Electricity
	Sewage disposal
	Roads
District –wide services	Solid waste disposal, affecting the district as a whole
	Municipal health services serving the district
	Regulation of passenger transport
	Fire fighting serving the district
District-wide facilities	Municipal airports serving the district
	District-wide fresh produce markets and airports
	District-wide cemeteries and crematoria
	Municipal public works
Economic development	Promotion of tourism
Financial redistribution	Receipt and distribution of grants
	Imposition and collection of taxes and levies

(Source: Municipal Structures Act, 1998)

However, in the run-up to the 2000 Municipal elections, it was decided to maintain the *status quo* in respect of four key functions: water, sewerage, electricity and municipal health. These status quo authorizations were gazetted in November 2000. This meant that newly established local municipalities continued to perform the functions, which established Transitional Local Councils used to perform in those areas. This was done to avoid disruptions to service delivery. The authorisations were valid until 5 December 2002. From 2000 onwards, the question began to be asked: what will happen after 5 December 2002 when the status quo authorizations expire (Atkinson; van der Watt and Fourie, 2003 http://www.hsrc.ac.za, accessed on 10 October 2008).

Various organizations put forward a model of local government which placed greater emphasis on District Municipalities. In particular, the Demarcation Board and the Department of Water Affairs and Forestry (DWAF) argued for a consolidation of key municipal functions at district level (Atkinson; van der Watt and Fourie, 2003 http://www.hsrc.ac.za, accessed on 10 October 2008). This perspective was reflected in the Municipal Structures Amendment Act. According to the revised Section 84, there were several changes in the powers of District Municipalities, viz:

- Integrated development planning for the District Municipality as a whole, including a framework for IDPs of all local municipalities ***(in contrast to the original Act, which based district IDPs on local IDPs[11]);***
- Potable water supply systems (including bulk and reticulation);
- Bulk supply of electricity (including bulk and reticulation);
- Domestic waste-water and sewage disposal systems (including bulk and reticulation);
- Solid waste disposal, including a waste disposal strategy, the regulation of waste disposal, and the operation of waste disposal sites; and
- Municipal health services (later redefined as environmental health functions only).

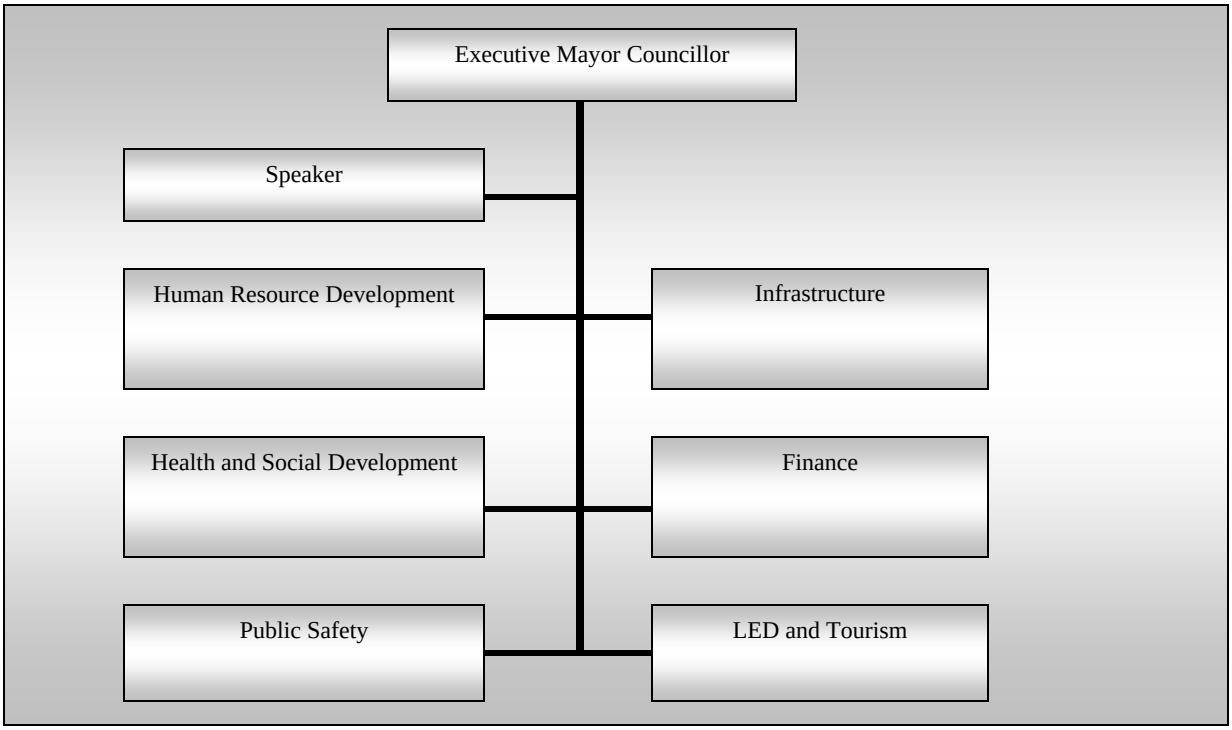
This meant that District Municipalities would become "service authorities", where policy decisions are taken, whereas Local Municipalities can serve as "service providers", and do the actual implementation of services. This position was based on the assumption that Category B municipalities were fundamentally structured to serve "white minorities" during apartheid and they were yet to demonstrate their ability to function as inclusive and developmental organizations. Therefore, what was needed was a district-wide servicing plan which would be delivered in the most economical way to serve residents properly in terms of national/provincial policy and local IDPs. Furthermore, the assumption made was that District Municipalities are better placed than Local Municipalities to ensure redistribution of resources from privileged areas to deprived areas.

Political Governance Model

The executive Mayor Councillor Faith Matshikiza, assisted by the Maycom, heads the executive arm of the municipality. The Executive Mayor is at the centre of the system of governance, since executive mandate and powers are vested in her by the Council to manage the daily affairs of the WRDM. This means that she has an overarching strategic and political responsibility. The Executive Mayor exercises her executive function in conjunction with Maycom. Each member of the Maycom is responsible for a particular portfolio. The names and portfolio of each member of the Maycom is listed in the diagram below.

[11] Author's emphasis.

Figure 3: Mayoral Committee of the Westrand District Municipality.



West Rand District Council - by political party 2006

The tabled below details WRDM Council by political party after 2006 Local Government Elections:

Table 4: Westrand Council by political party

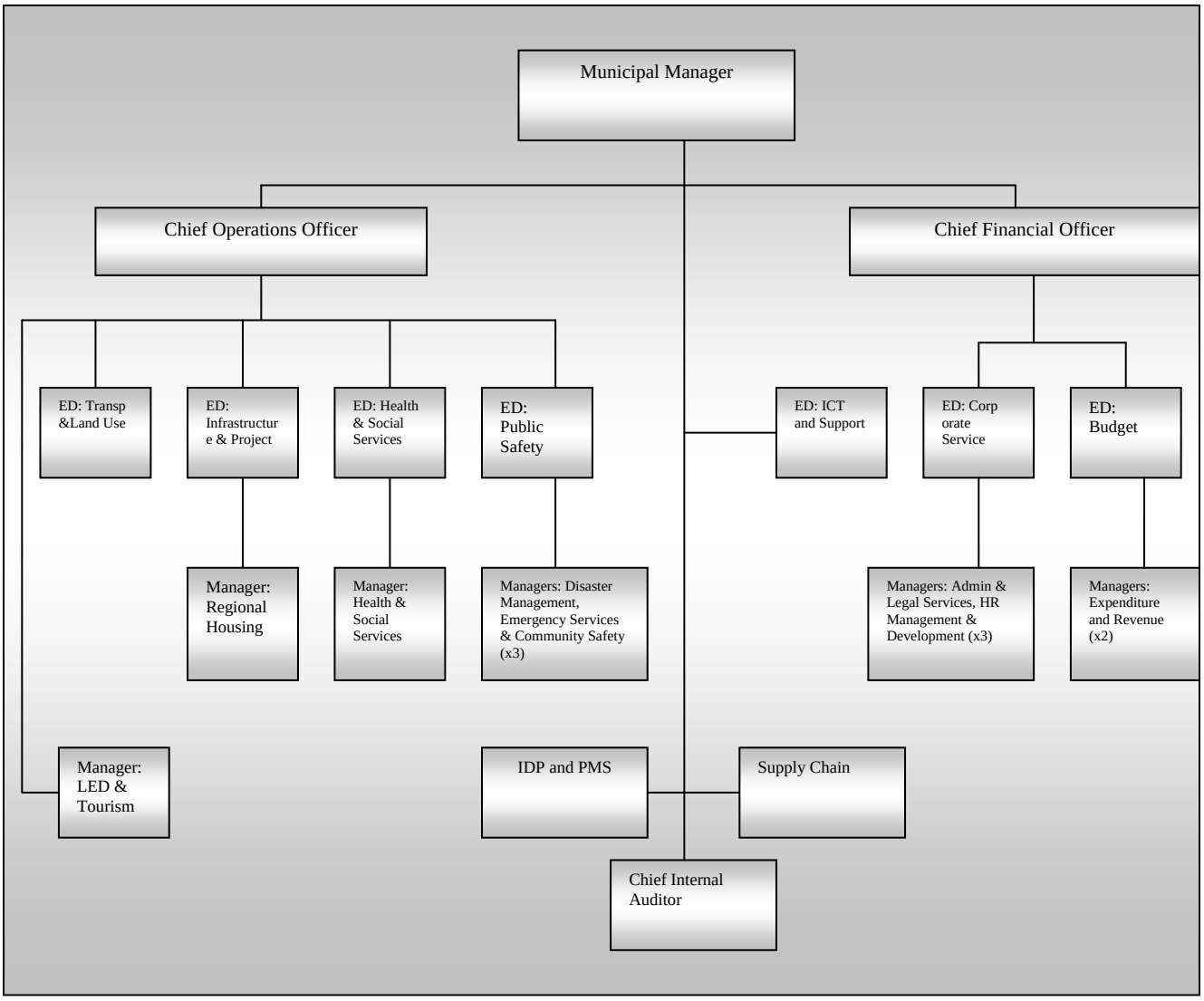
Party	Valid Votes	% Votes	Seats	% Seats
African National Congress	76 581	65.34	10	66.67
Democratic Alliance	27 525	23.48	4	26.67
Independent Democrats	2 990	2.55	1	6.67
Freedom Front +	2 487	2.12	0	0.00
Inkatha Freedom Party	1 857	1.58	0	0.00
Azanian People's Organisation	1 762	1.50	0	0.00
African Christian Democratic Party	1 346	1.15	0	0.00
Pan Africanist Congress of Azania	1 186	1.01	0	0.00
Black People's Convention	522	0.45	0	0.00
United Democratic Movement	492	0.42	0	0.00
Socialist Party of Azania	463	0.40	0	0.00
Total	117 211	100.00	15	100.01

Source: Independent Electoral Commission, 2006 (www.iec.org.za)

Administrative Arrangement

The Accounting officer of the WRDM is responsible for managing the financial administration of the municipality. The Accounting Officer is the custodian of service delivery and implementation of political priories. The WRDM governance is structured as follows:

Figure 4: Administrative structure of Westrand District Municipality.



Source: adapted from www.wrdm.gov.za

Vision

The WRDM aspires to build a safe and peaceful environment based upon sustainable social, economic and physical development, thereby providing a better life for all our people through an institution that exercises governance in a transparent and accountable manner (2008/09 IDP Revision).

Mission

The WRDM shall engage in the exercise of cooperative governance to ensure the development of an environment that enables social, economic and physical development. This will be achieved through the implementation of an integrated development strategy for the West Rand and leveraging of developmental capital and related resources to maximise the opportunities for development in the region (Westrand IDP Document 2008/09).

Guiding Values

The WRDM IDP Document 2008/09 outlines the following values:

- Good working relationships built on mutual trust and with a development oriented focus;
- An operating environment shaped by consultative processes and policies;
- A culture of open and mutually respectful communication;
- Honesty, integrity, teamwork and commitment;
- Adherence to applicable legislation and codes of conduct pertaining to politicians and officials; and
- Commitment to transformation and equity as a yardstick for all organizational processes and delivery.

Westrand District Municipality strategic plan

The WRDM has a five-year Strategic Plan and it consists of 5 strategies programmes. The WRDM embarked on an initiative to establish a municipal entity known as the West Rand Development Agency (WRDA), which will be used as a special purpose vehicle to manage and implement key strategic economic development projects in its area of jurisdiction (source: www. wrdm.gov.za).

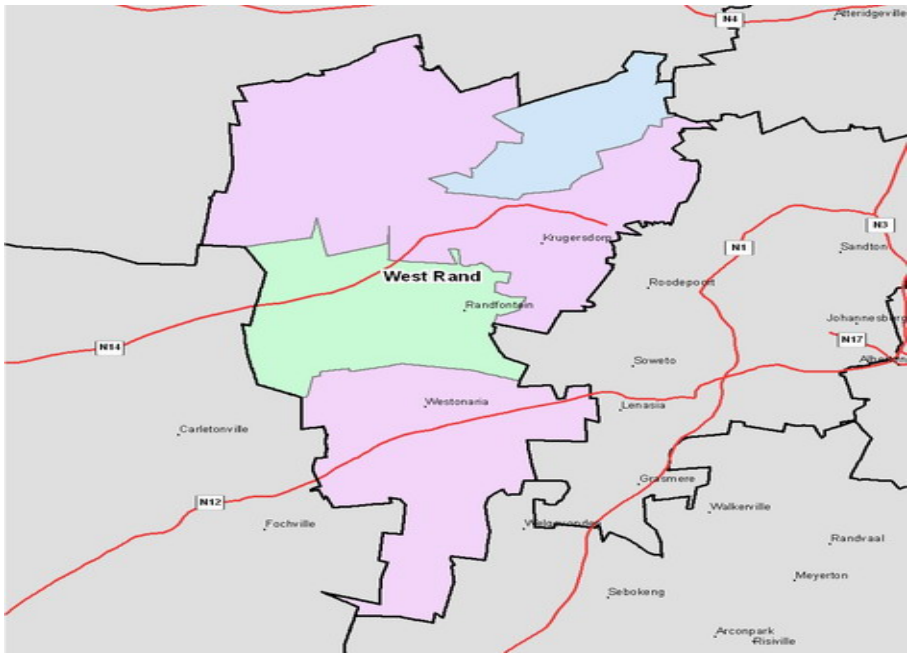
The agency is registered as a private company, with the district municipality and the three local municipalities having effective control of it. Each municipality has equal shares in the agency. In line with the principles of NPMs contracting out, the agency will apply and adhere to the principles contained in the King 11 Report on Corporate Governance in South Africa to ensure good corporate governance, and will take into account triple bottom line reporting.

The primary role of the WRDA is to act as the economic development agent for the West Rand and far as to stimulate, facilitate, implement and support economic development and job creation projects and initiatives that will contribute to the regional economic development. A Growth and

Development Summit was held in October 2006 at Maropeng; the theme was "Bridging *the Gap between the second and the first economy for sustainable development"*. A strategy was developed to enhance the socio-economic environment, identify potential growth sectors, and provide alignment to existing growth and development strategies. existing growth and development strategies.

The WRDM has (according to 2008/09 budget speech made by the Executive Mayor, Faith Matshikiza) experienced a decline in employment (unemployment rate of over 40 %) owing to the closure and downscaling of the formerly vibrant mining activities but there are signs that the WRDM regional economy is showing signs of revival as a result of the process of industrial diversification aimed at reducing dependency on mining. The District has fundamental shortcomings in its economic structure and a limited presence of global growth industries. There are also regionally specific constraints to growth, with a weak skills base, obsolete infrastructure, limited capital availability and a stagnating local market.

Figure 5: Map of Westrand Region



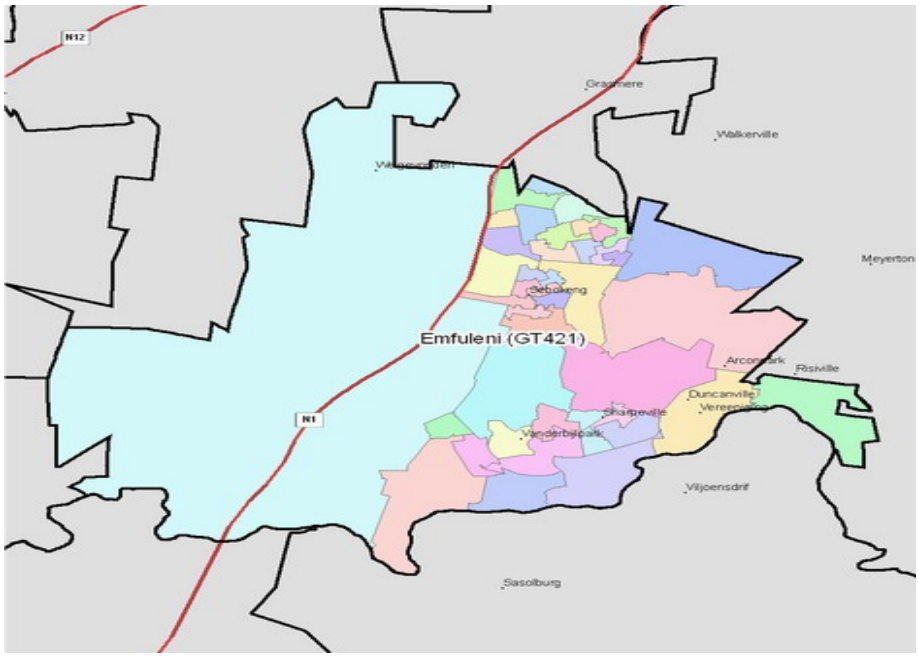
Source: Westrand IDP Document 2008/09

3.4.2. Emfuleni Local Municipality

Profile

Located in the western part of Sedibeng District Municipality, Emfuleni (which means "by the river") is the largest of the three Sedibeng Local Municipalities in terms of population, but smallest in terms of area. Emfuleni Local Municipality (ELM) was previously called Western Vaal. The major towns in the area include Vereeniging, Sharpeville, Vanderbijlpark, Evaton, Sebokeng, Bophelong and Boipatong.

Figure 6: Map of Emfuleni Region



Sources: Emfuleni IDP Document 2008/09

It covers an area of 987 45 square kilometres. The Vaal River forms the southern boundary of the ELM and its strategic location affords it many opportunities for tourism and other forms of economic development. ELM shares boundaries with Metsimaholo Local Municipality in the Free State to the south, Midvaal Local Municipality to the east, the City of Johannesburg metropolitan area to the north and Westonaria and Potchefstroom (in North West Province) Local Municipalities to the west.

The total population distribution of the entire ELM according to StatsSA Community Survey 2007, is 650 867. The Community Survey reveal that ELM population size has slightly decreased from 658 422 in 2001 to 650 867 in 2007 for 2008/09, ELM has a projected capital budget of R293 090 470 and a projected operating budget of R2 172 353.26.

Political Governance Model

The executive Mayor Councillor Sithole Mashudu, assisted by the Maycom, heads the executive arm of the municipality. The Executive Mayor is at the centre of the system of governance, since executive mandate and powers are vested in him by the Council to manage the daily affairs of the ELM. This means that he has an overarching strategic and political responsibility. The Executive Mayor exercises him executive function in conjunction with Maycom. Each member of the Maycom is responsible for a particular portfolio. The names and portfolio of each member of the Maycom is listed in the diagram below.

Table 5: MMCs for Emfuleni Local Municipality

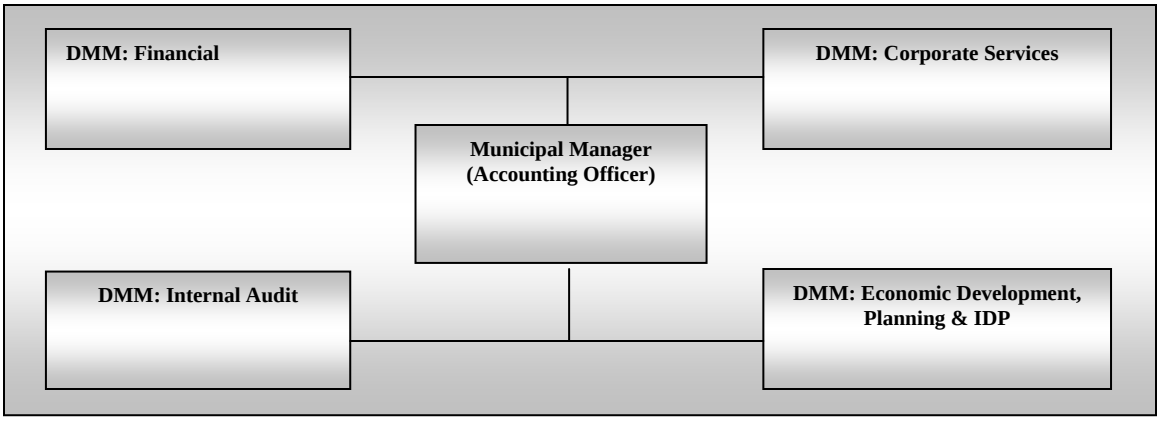
Portfolios
Member of the Mayoral Committee :Housing
Member of the Mayoral Committee: Infrastructure, Water, Electricity & Sanitation
Member of the Mayoral Committee: Sports Recreation Arts and Culture
Member of the Mayoral Committee: Administration Corporate Services, HR, IT & Legal
Member of the Mayoral Committee: Waste Management, Parks & Cemeteries
Member of the Mayoral Committee: Public Transport, Roads & Public Works
Member of the Mayoral Committee: Finance
Member of the Mayoral Committee: Health & Social Development
Member of the Mayoral Committee: Public Safety & Traffic
Member of the Mayoral Committee: LED

Source: www.Emfuleni.gov.za

Administrative Arrangement

The Accounting officer of the ELM is responsible for managing the financial administration of the municipality. The Accounting Officer is the custodian of service delivery and implementation of political priories. The ELM governance is structured in to 4 departments each headed by Deputy Municipal Manager (DMM).

Figure 8: Emfuleni Local Municipality Administrative Structure



Source: adapted from Emfuleni's municipality website

1. The Economic Development and Planning and IDP consists of the following directorates:

- Local Economic Development and Tourism
- Properties
- Housing
- Land Use Management
- Environmental Management
- Integrated Development

2. Financial consists of the following directorates:

- Budget Office
- Revenue Management
- Supply Chain Management
- Financial Control
- Debt Management
- Risk Management

3. Corporate Services

- Legal Services
- Communication, Marketing and Branding
- Human Resources
- Secretariat and Administration support Unit

- Fleet Management
- Facilities Management
- Information Technology

4. Internal Audit

Vision

A developmental municipality that continuously improves the quality of life of its residents."

The Motto

"You BELONG We CARE"

Mission

ELM will accelerate Service Delivery and Socio Economic Development by implementing its service delivery catalyst grouped together to provide quality service delivery through the following portfolios:

- Corporate: Institutional Capacity and Transformation
- Finance: Financial Viability
- Economic Development, Development Planning, Economic Viability and LED

Values

The following are the core values driving municipality the municipality:

- Responsive
- Disciplined and Responsible
- Accountability and Transparency
- Respect
- Honesty and Integrity

Core strategies

- Provide Basic Services
- Achieve Sustainable Financial Viability
- Ensure Good Governance and Institutional Capacity
- Deepening Democracy

- Create the Culture of Effective Communication
- Ensure Social and Economic Development
- Promote a Safe, Secure, and Healthy Environment
- Promote Optimal Spatial Development

Sedibeng District Municipality Growth and Development Strategy

In 2006 a range of Sedibeng stakeholders cooperated around the development of a shared Growth and Development Strategy (GDS) for the region. The process was two fold. First there was a series of consultations with other spheres of government, organised labour, business and community-based organisations. Secondly, a Growth and Development Summit on 14 and 15 November 2006. The GDS forms part of new efforts to give content to the description of South Africa as a developmental state, follow some hard experience on how difficult it is to create jobs and build new businesses in our environment, given our history.

However, local government cannot play its developmental role without a meaningful partnership between itself, communities, labour and business. The GDS is a tool to develop local partnerships to give content to national growth objectives, such as halving unemployment by 2014.

The GDS represents a collaborative effort by Sedibeng District Municipality and Midvaal, Emfuleni and Lesedi Local Municipalities. This Sedibeng GDS proposed five critical focus areas. These so called “Five Rs” are:

- **Reinventing our economy** by consolidating the existing sectors and exploring new sectors of growth;
- **Renewing our communities** by provision of basic services, regeneration and property development to improve the quality of living for all;
- **Reviving a sustainable environment** by increasing the focus on improving air, water and soil quality and moving from a producer and receiver of waste to a green city;
- **Reintegrating the region** with the rest of Gauteng, South and Southern Africa through improving connectivity and transport links; and
- **Releasing human potential** through accelerated investment in people and increased focus on the development of social capital.

It also argued that for these focus areas to work, certain prerequisites need to be fulfilled. These include an important role for state led development, the need for catalytic interventions and good

governance. To achieve good governance, the GDS state that local government leadership must be beyond repute, *ensuring the GDS outcomes are implemented through the IDP planning processes for the 2006-2011 IDP cycle*, there must be skilled and professional staff, limited vacancies, compliance with local government policies and regulations, clean audits and zero tolerance towards fraud and corruption. If this is achieved, it will inspire confidence in residents, local business as well as potential investors.

3.5. WESTRAND DISTRICT AND EMFULENI MUNICIPALITY INTEGRATED DEVELOPMENT PLAN PROCESS

In an attempt to dissect the IDPs of both Westrand District and Emfuleni Local Municipalities, it was decided to divide this section into four main themes:

- ***General Compliance:*** general compliance was undertaken looking at the completeness of an IDP document in terms of general guidelines and legislative requirements.
- ***Approach to IDP:*** The approach that was followed by the municipality in the development of IDPs.
- ***Institutional Context:*** The institutional reality within which the IDP is prepared will be considered, and an indication will be given of institutional structures and mechanisms established for the purposes of the IDP process.
- ***Prioritisation and Resource Allocation:*** The nature of sector planning and the mechanism to facilitate resource allocation in terms of budgeting and financial planning through the IDP process will be described

General Compliance

In terms of the Local Government: Municipal System Act (Act No. 32, 2000) (MSA), the following are some of the general compliance processes to be undertaken in order to ensure that the IDP complies with the legislative requirements:

- The WRDM drafted the IDP District Framework in accordance with the IDP guide packs issued by the Department of Provincial and Local Government (DPLG) and also in terms of the provisions of the MSA and Local Government: Municipal Finance Management Act, 2003 (MFMA).
- The ELM drafted the IDP in accordance with the IDP guide packs issued by the Department of Provincial and Local Government (DPLG) and also in terms of the provisions of the MSA and MFMA.

- These two municipalities completed their analysis phase, i.e., a spatial analysis, economic analysis etc. Also, a number of the sector plans were completed and all the other key components of the IDP prescribed in the MSA.
- Also, the 2007/08 MEC for Local Government comments indicated that both Westrand District and Emfuleni municipalities IDPs were not in direct conflict with the development plans of any of its neighbours or those of other spheres of government.

Approach to IDP

The approach to IDP in the WRDM can be described as a mechanism and approach that forms an integral part of the scope of work to be undertaken and updated every financial year in accordance with the resources and changing circumstances of the municipality. Furthermore, the WRDM IDP and associated processes have been going through an on going modification in response to the issues experienced by the region but in line with the Provincial and National policies and programme (Westrand District and Emfuleni Local Municipalities 2008/09 IDPs).

Whereas the IDP in Emfuleni is unique in that it unfolds within the context of a united and common vision for the Municipality; namely "A developmental municipality that continuously improves the quality of life- You Belong, We Care" which was adopted by Council together with its citizens (communities, civil society and business). This approach was greatly influenced by the principles contained in the Sedibeng Growth and Development Strategy.

For example, at the beginning of the Mayoral term of office in 2006, the Council agreed that by 2011 the Emfuleni IDP process would:

- Be a management tool to realise the municipal common vision;
- Drive the municipal budget with implementable strategies that integrate and coordinate the actions of the various municipal service departments (instead of individually prepared development plans); and
- Provide a platform for local communities to participate in budgetary decision-making and in ensuring the consideration of their needs.

Subsequently to the approval of the five-year IDP in 2006, the ELM's organisational structure was adapted to reflect the on going transformation agenda in the Council.

The Council

In both Westrand District and Emfuleni Local Municipalities Council is the ultimate decision making body. Its role is mainly to consider and adopt the IDP. Council and the Maycom play an oversight role during the IDP review process. The Maycom is consulted before the approval of the IDP framework, development of priority issues and the adoption of the IDP by Council[12]. In addition, Councillors are tasked with a responsibility of communicating municipality's planning cycle to communities through ward meetings (Westrand District and Emfuleni Local Municipalities 2008/09 IDPs).

IDP Representative Forum

The IDP representative forum consists of the district IDP technical committee, IDP coordinators from the local municipalities, all councillors in the district, representatives from stakeholders in the district, the Executive Mayors of local municipalities, and municipal managers of local municipalities. The Executive Mayor of the District chairs this Forum. The IDP representative forum ensures effective and efficient public participation on matters of the IDP review. This structure is responsible for convening meetings in order to: consult on the content of the IDP; discuss the development, implementation and review of the municipalities SBDIP; and monitor the municipalities' performance in relation to the key performance indicators and performance targets set by each municipality (Westrand District and Emfuleni Local Municipalities 2008/09 IDPs).

IDP Steering Committee

The IDP Steering Committee team is made up of the Chief Financial Officer (CFO), the IDP Manager and the Executive Managers and it is chaired by the Municipal Manager. The role of this committee is to: provide overall management and co-ordination of the planning process; provide relevant technical, sector and financial information for analysis for determining the priorities, contribute technical expertise in the consideration and finalization of the strategies and implementation of projects; and to meet at least bi-monthly to assess the progress made and guide the process of IDP preparation in the region (Westrand District Municipality's 2008/09 IDP).

In Emfuleni municipality, the IDP Steering Committee provides terms and reference for various planning activities and also commission research studies. Moreover, it is responsible for

12 Interviews conducted with Tshepo Legodi, IDP manager from WRDM and Hulisani Mukwevho, IDP manger from ELM on 25 June 2008

providing considering and commenting on the inputs from sub-committees, study teams and service providers. It is also responsible for providing technical input into the IDP process; especially on issues pertaining to vertical and horizontal alignment and integration provincial and municipal counterparts in the region (Emfuleni Local Municipality's 2008/09 IDP).

IDP Office

In terms of the Municipal Systems Act of 2000 the Executive Mayor is responsible for the overall management, co-ordination and monitoring of the entire IDP process. From 2000 to 2006 there in WRDM there was no formal technical structure (for example for no specific IDP Manager or IDP Office) that was established in the municipality to develop the IDP, but people were seconded from Planning and Implementation Management Support (PIMS) and a few new appointments accountable to the Municipal Manager to design, manage and implement the process to draft the District IDP, which flowed from that (Legodi, 2008). There has been continuity in this team and members now have institutional memory and expertise, as well as respect within the organisation[13].

In the case of ELM, the Economic Development, Planning Cluster has been assigned with the responsibility of supporting the Municipal Manager in preparing the IDP document. This cluster is headed by a Deputy Municipal Manager responsible for the Integrated Development Planning; Local Economic Development and Tourism; Housing; and Land Use and Environmental Management. This cluster reports directly to the Municipal Manager (ELM's 2008/09 IDP).

District Wide IDP coordinators Forum

The coordinators forum provides a platform wherein the District and Local Municipalities discuss areas of mutual interest and provide IDP alignment between all municipalities. The IDP coordinators meet at least once a month to discuss the alignment process. This Forums reports to the Municipal Managers and has good linkages with the Mayors and other IDP managers in the region (Westrand District Municipality's 2008/09 IDP).

Whereas, in the case of ELM, the municipality is a member of the Sedibeng IDP Coordinators Forum. This Forum provides a platform wherein the District and Local Municipalities discuss areas of mutual interest and provide IDP alignment between all municipalities. The IDP coordinators meet at least once a month to discuss the alignment process. The Forum reports to

[13] Interviews conducted with Tshepo Legodi, IDP manager from WRDM

the Municipal Managers and has good linkages with the all Mayors in the region, through the District-Wide Mayoral Lekgotla/ Retreat.

Prioritisation and Resource Allocation

The District IDP is regarded as important to provide development and process direction in order to provide a link between (1) District priorities and required interventions; (2) resource allocation (where and what); and (3) performance management and reporting (Legodi, 2008). However, the Mayco decides on strategic priorities and allocates funds accordingly to agreed strategic needs as opposed to specific projects. The strategic departmental and sector planning is key in ensuring integrated prioritisation, resource allocation and to facilitate implementation. This refers to institutional and organisational, human resources, transportation, environmental, health, spatial and services delivery planning. It is important to distinguish between these sector plans (which are drawn up between the various functional departments) and the departmental strategic planning.

The WRDM IDP projects and programmes contained in the IDP and community priorities inform the budget allocation with clear Measurable Performance Objectives (MPOs) in terms of Section 24 of the Local Government: Municipal Finance Management Act, 2003, and in accordance with the 5 National key performance areas for municipalities, namely:

- Basic Service Delivery and Infrastructure;
- Local Economic Development;
- Municipal Transformation and Institutional Development;
- Municipal Financial Viability; and
- Good Governance and Community Participation.

Once the budget has been approved, the Maycom, then monitors and evaluates the impact on citizens through the Service Delivery and Budget Implementation Plan (SDBIP). Furthermore, the WRDM has developed Growth and Development Strategy (GDS). The strategy is intended to become the real driver for change as it gets implemented on the ground through new ideas around forms of area based management, home grown ways to manage entire region's performance, and budgeting strategically. The District GDS has been developed through process in a way integral to the IDP process and involving local municipalities using the District Intergovernmental Relations (IGR) Structure (Sedibeng GDS, 2006).

The establishment of the West Rand Development Agency will also aid in ensuring proper prioritisation and strategic resources allocation and also to facilitate the location of diverse industry, pumping of investment and economic development. Both the GDS and the District IDP are seen as a way of putting WRDM on a sustainable development path (www.wrdm.gov.za, accessed on 23 July 2008).

Furthermore, the establishment of the WRDA was seen as an important innovative move towards alignment of district wide programmes with the realities on the ground and to provide meaningful responses to the needs of the poor. The agency's strategies include the creation of a business environment conducive to private sector investment and the leveraging of public and private sector resources for development. Although the agency is run by the district, all three municipalities, namely, Mogale City, Randfontein and Westonaria own it equally and there is an expectation that it supposed to serve as an extension of the municipalities' local economic development units (www.wrdm.gov.za, accessed on 23 July 2008).

In the case of ELM, the resolutions of the Sedibeng District Retreat of Leaders of the three local Municipalities (Emfuleni, Midvaal and Lesedi; the Mayors, Speakers, Chief-Whips, Maycom, Municipal Managers and Senior Officials) laid the basis for crucial steps to be taken in the development of the region, the District-Wide Executive Committee Exco decided on the key strategic priorities and made recommendation to all municipalities to allocate funding accordingly in order to meet government targets[14]

3.6. SUMMARY OF THE FINDINGS FROM THE CASE STUDIES

Like many other municipalities in the province, both case study municipalities are grappling with challenges such as the slow pace of service delivery, aging infrastructure, mushrooming informal settlements, and high vacancy rates especially key senior positions and a stagnating local market.

In the case of ELM, the Municipal Manager occupies this position in an acting capacity. This has lead to him placing huge emphasis on the IDP as a key instrument to meet all service delivery targets for the Mayoral Term. Also, senior managers in the Municipality provide technical and expertise, input into sector plans and review and provide draft project proposal.

[14] Interviews conducted with Hulisan Mukwevho, IDP manager from ELM on 25 June 2008 and also www.sedibeng.gov.za, accessed on 23 July 2008).

The Economic Development and Planning Cluster, specifically the IDP Office has made major progress in clarifying its role and the role of the IDP within the organisation during the current and previous IDP cycles. Since the beginning of this Mayoral Term, the Office has embarked on a series of awareness raising discussions and presentations to various functional departments regarding (1) the approach to integrated development planning, and (2) the role of line departments, Councillors and Communities in the IDP process and its relation to the Budget. It is evident from the above that both Westrand District and Emfuleni Municipalities IDPs' preparation phase has stabilised during the last seven years and comply with MSA requirements.

In terms of the Local Government: Municipal System Act (Act No. 32, 2000) (MSA), the following are some of the general compliance processes to be undertaken in order to ensure that the IDP complies with the legislative requirements: According to the 2008/09 MEC for Local Government comments[15], both Westrand District and Emfuleni Local Municipalities have drafted the IDP in accordance with the IDP guide packs issued by the Department of Provincial and Local Government (DPLG) and also in terms of the provisions of the MSA and MFMA.

The approach to IDP in both Westrand District and Emfuleni Local Municipalities can be described as a mechanism and approach that forms an integral part of the scope of work to be undertaken and updated every financial year in accordance with the resources and changing circumstances of the municipality. Furthermore, these case study municipalities IDP and associated processes have been subjected to an on going modification in response to the issues they are experiencing but in line with the Provincial and National policies and programme. This confirms the researcher's initial assertion that municipalities in Gauteng in preparing their IDPs have gone beyond legislative compliance.

Subsequent to the approval of the five-year IDP in 2006, both Westrand District and Emfuleni Local Municipalities organisational structure were adapted to reflect the on- going transformation agenda in the Council. But it is critical to mention that the ELM has not enjoyed political and administrative continuity and stability since 2006 (suspensions of senior management, resignation of the Municipal Manager and resignation of the Executive Mayor).

[15] The MEC for Local Government in the province is required by Chapter 5, Section 25 of the MSA may relevant municipal council (a) to adjust the plan or the amendment in accordance with the MEC'S proposals. If the plan or amendment: (i) does not comply with a requirement of this Act; or 35; (ii) is in conflict with or is not aligned with or negates any of the development plans and strategies of other affected municipalities or organs of state; or (h) to comply with the process referred to in section 29. or with i specific provision of this Act relating to the process of drafting or amending integrated 40 development plans if the municipality has failed to comply with that process or provision, and to adjust the plan or the amendment if that becomes necessary after such compliance.

In addition to a leader or champion, a successful strategic planning process requires a "place" in the organisation from where it is led, coordinated and managed at a strategic level – yet with technical input. Emerging from the case study is that in most of the successful cases where municipalities undertook the strategic planning process, technical coordination of the process was the responsibility of a strategic management team within the municipality, backed by a dedicated strategic planning department/section most often located in, or directly reporting to, the office of the municipal manager. This approach requires internal strategic planning capacity and an institutional structure that optimises the use of this capacity. These case study municipalities are adhering to this principle, having established a formal institutional structure in the form of the IDP offices to deal with integrated planning (strategic planning). However, the remaining challenge appears to be around ensuring cohesion and linkage with other planning initiatives in the organisation (e.g. sector planning, operational planning and resources allocations).

The institution undertaking the strategic planning process (typically provincial or municipal government) must be clear in its understanding of the role it plays in the development of the municipality, its legal mandate, its powers and functions, as well as the roles and expectations of other government bodies (other tiers/spheres, as well as neighbours). In addition, it must have an understanding of its relationship with key stakeholders and the degree of civic cooperation that currently exists among stakeholders. For example, in the case of WRDM, the municipality at the outset of the planning process defined the role it would play in the development of the region, and noted opportunities in the municipality's jurisdiction by establishing the Westrand Development Agency (WRDA). In the case of ELM, having participated in the Sedibeng Retreat that led to the Sedibeng Growth and Development Strategy, it was not surprising to see that the entire ELM's IDP was greatly influenced by it. It is also not surprising to see the kinds of resolutions taken during the Sedibeng Retreat in 2006 in terms of resource allocation and the identification of priority areas.

A good example of organisational culture and learning exists in the WRDM. The IDP office directly accountable to the municipal manager is responsible for developing a strategic plan for the region. The team also plays an integrating role and ensures that all members of the organisation and municipalities in the region work towards the common purpose. This team seems to have developed organically from PIMS centre to be given a responsibility of drafting the District strategy/IDP and coordinates activity around it. Also, there has been continuity in this

team and members now have institutional memory and expertise, as well as respect within the organisation. This is also the case for the ELM's IDP team. They produced the Reviewed IDP entirely in-house, without the use of consultants.

The institutional location of the person/structure responsible for municipal strategy is of key significance. The strategic process is usually initiated and managed by structures at the top of the relevant government authority. The structures set up for IDP processes are in most cases multi-functional or multi-sectoral in nature. In some cases these structures included stakeholders external to government (e.g. Provincial government, business labour and communities). A political-functional split is evident in many cases, with political stakeholders playing a guiding role and functional/technical stakeholders providing coordination functions and technical input. This is the case of both Westrand District and Emfuleni Local Municipalities where the following structures were formed to aid in the development of the IDP.

The District IDP is regarded as important to provide development and process direction in order to provide a link between (1) District priorities and required interventions; (2) resource allocation (where and what); and (3) performance management and reporting (Legodi, 2008). However, the Maycom decides on strategic priorities and allocates funds accordingly. The funds are allocated to needs and not specific projects. In the case of the WRDM, the establishment of the West Rand Development Agency will also aid in ensuring proper prioritisation and strategic resources allocation and also to facilitate the location of diverse industry, pumping of investment and economic development. Both the GDS and the District IDP are seen as a way on putting WRDM on a sustainable development path.

The administration and citizens/target groups decide on projects within the budgetary framework as laid down by Exco, who then monitors and evaluates the impact on citizens." This process is premised on the strategies and programmes identified in the municipal IDP, which is regarded as an important tool to provide development and process direction in order to provide a link between (1) National/ Provincial and District priorities and required interventions; (2) resource allocation (where and what); and (3) and reporting (Mukwevho, 2008).

CHAPTER 4: ANALYSIS OF THE FINDINGS

4.1. INTRODUCTION

In South Africa, the debates around the overall objectives of strategic planning in relation to urban management and the balance that should be sought between economic growth, greater efficiency, increased equity, good governance and improved service delivery in a sustainable manner is rife. From the previous chapters, one is now familiar with concept of IDPs which was adopted by government as a strategic tool to transform local government. This final chapter analyses the findings of the case studies in relation to the key principles extracted in Chapter 2 on the relationship between strategic planning NPM and the IDP.

This section also, discusses key issues and considerations for municipal strategic planning as identified from the case studies. It also reflects on the interviewee perspectives on of IDPs and strategic planning. This section will deal with formal institutional issues such as institutional mechanisms and relationships, as well as the human dimension of institutions, which includes leadership and organisational culture. It also addresses typical planning processes and their components (e.g. participation) will be examined. This section will include references to planning mechanisms, as well as the link between the strategic planning process and such mechanisms (e.g. implementation planning and budgeting) and conclude by looking at the brief overview of typical content considerations will be presented.

4.2. ANALYSIS OF THE FINDINGS

From the discussion in the previous chapter, the observation was made that an evolution of strategic planning in the public sector context especially in the developed countries had its potential and limitations. Although there are a number of positive elements which have emanated from the introduction of strategic planning in the public sector, the preceding section highlighted a few limitations in relation to the SA context and IDPs is particular.

IDPs have been regarded as an integrative, logical, and key strategic tool for municipal management and decision-making, it is also seen as a chief democratization instrument and a pragmatic approach that pulls institutional practice towards popular democratic control in a system with clear norms and rules and respect for financial durability. However, the case studies also revealed that although there is greater acceptance of the IDPs democratic governance, participatory planning and efficient modern managerial practice are yet to be fully realized due to

a number of factors, which include institutional capacity, a myriad of legislative requirements and the lack of leadership.

The assessment of case studies indicated that a committed leader or champion (often the Executive Mayor and Municipal Manager) is crucial in initiating and taking to conclusion the process of integrated planning. Leadership is often embodied and expressed by a few key individuals (city mayor and/or key politicians in many cases). The main issue for the leader(s) is to create a "groundswell of commitment" so that further progress of the IDP (strategic plan), as well as implementation, is not dependent on the initiators but becomes a product of the entire organisation.

Emerging from ELM was that "*the IDP process has provided an opportunity for senior management to discuss cross cutting issues that affect the entire institution, at least in theory, but in practice, there is fairly little discussion on the actual details" (ELM official).*

Furthermore, continuity of political leadership emerged as another factor to not only ensure successful planning, but also achieve commitment to IDP implementation. Although IDPs have been institutionalized as a strategic planning tool for municipalities to ensure its future, in the case of ELM, the high staff turnover and vacancies in the critical posts has not aided in champion the IDP to ensure buy in from all stakeholders.

In addition to a leader or champion, a successful strategic planning process requires a "place" in the organisation from where it is led, coordinated and managed at a strategic level – yet with technical input. Emerging from the case study is that in most of the successful cases where municipalities undertook the strategic planning process,[16] technical coordination of the process was the responsibility of a strategic management team within the municipality, backed by a dedicated strategic planning department/section most often located in, or directly reporting to, the office of the municipal manager. This approach requires internal strategic planning capacity and an institutional structure that optimises the use of this capacity. These case study municipalities are adhering to this principle, having established a formal institutional structure in the form of the IDP offices to deal with integrated planning (strategic planning). However, the remaining challenge appears to be ensuring cohesion and linkage with other planning initiatives in the organisation (e.g. sector planning, operational planning and resources allocations).

[16] The case in the City of Johannesburg

As regards the relation between the IDP and strategy work, it was not surprising that almost all interviewees emphasised the normative assumption that the IDP is the starting point of strategy work in the municipality. However, the fact that the process is legislatively driven and timeframes for preparing the IDP are tied to a five-year Council term, thus limits its strategic nature[17] . For example, given the origins of strategic planning, of the limitations identified is that it tended to focus more on outcomes (results) rather than outputs and on how to achieve outcomes rather than how to define the outcomes[18].

When councillors from both case study municipalities were asked whether the IDP has been strategic?' the answer indicated that some improvement would be useful: "*Well, how can I put it? Priority areas have certainly been set, but I could imagine that the significance and depth of the IDP could perhaps be even greater than at present"*.

One of the senior managers from ELM was very critical of the IDP process arguing that "*it cannot consist of strategic issues only; there are also all kinds of 'small ward issues', for example at a ward level small issues are very important to communities. On the other hand, the IDP is full of goals, indicating the municipality's intention to advance, strengthen or improve something. The problem with such goals is that they are too general, they do not indicate what is meant in practice and it is easy to by-pass these 'good intentions'. The IDP also contains issues that the municipalities have already begun to implement, thus providing legitimation for municipal activities"*.

In line with strategic planning processes, the SWOT analysis was undertaken and completed by both case study municipalities (e.g. a spatial analysis, economic analysis, service delivery backlogs etc) and also a number of the sector plans were completed as well as the other key components of the IDP prescribed in the MSA. This confirms the researcher's assertion that municipalities in Gauteng in preparing their IDPs have gone beyond legislative compliance to use it to respond to the challenges they are facing as well as a management tool for day-to-day operations.

[17] Interview with the City of Johannesburg Deputy Director IDP and Business planning

[18] When describing what government institutions do for purposes of measuring performance outcomes and outputs are used. In this regard, an **output** is the final product, or goods and services produced for delivery. Outputs may be defined as "what government produce or deliver". An **outcome** is defined as the medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what government wish to achieve" (www.thepresidency.gov.za, accessed on 16 December 2008).

Some of the failures of strategic planning processes in other countries were due to the fact that they tended to ignore the political decision-making process. Also, it has been argued that most management innovations have failed because they have tried to improve government decision-making and operations by imposing a formal rationality on systems that are not rational, at least in the conventional meaning of the word. In relation to the aforementioned, one of the local government practitioners also said: "*while municipal IDPs have demonstrated their abilities to respond to particular external contexts, they however f*
ail to operate as strategic plans that guide the decision–making and operations of municipal departments and commitments. This is partly due to institutional fragmentation, lack of capacity, planning function divorced from management and operational function[19]*"*.

It is evident that a successful strategic planning process calls for integrated, strategic thinking on the part of all stakeholders, including those internal to the municipality responsible for the process. This implies that internal stakeholders should be motivated to think beyond traditional sectoral/departmental boundaries. It also implies a degree of innovation and risk-taking in the search for alternative strategies. Furthermore, internal stakeholders should be open to the idea of building partnerships with external stakeholders and working towards the joint achievement of goals.

In recalling the discussion with Deputy Director IDP for the City of Johannesburg with regard to the strategic functions of the role of IDPs, he said "there is *a clear evidence to suggest that IDPs are very complex bureaucratic mechanisms of integration and co-ordination. To date, lack of strategic focus of IDPs has been attributed to the fact that the process is not flexible and up until recently it has not been informed by an iterative process of top-down bottom-up planning which has sustained a relatively successful systems of integrative development planning"* (City of Johannesburg Deputy Director IDP).

A good example of organisational culture and learning exists in the WRDM. The IDP office directly accountable to the municipal manager is responsible for developing a strategic plan for the region. The team also plays an integrating role and ensures that all members of the organisation and municipalities in the region work towards the common purpose. Interestingly,

[19] Interview with Clinton van der Merwe, Wits University, Geography lecture and former Assistant Director: IDP in the Department of Local Government for Sedibeng Region

this team seems to have developed organically from PIMS centre to be given a responsibility of drafting the District strategy/IDP and coordinates activity around it. Also, there has been continuity in this team and members now have institutional memory and expertise, as well as respect within the organisation. This is also the case for the ELM's IDP team. They produced the Reviewed IDP entirely in-house, without the use of consultants.

Although the concept of IDP was centred on the notion of people-centred and developmental local government aimed at bringing about a "better life for all" in South Africa. The introduction of IDP was meant to improve the capacity of the state and reinvigorating public administration institutions to enable them to perform their enabling, regulating, monitoring and co-ordinating roles.

At the beginning of the Mayoral term of office in 2006, the Council agreed that by 2011 the ELM's IDP process would:

- Be a management tool to realise the municipal common vision;
- Drive the municipal budget with implementable strategies that integrate and coordinate the actions of the various municipal service departments (instead of individually prepared development plans); and
- Provide a platform for local communities to participate in budgetary decision-making and in ensuring the consideration of their needs.[20]

Subsequently to the approval of the five-year IDP in 2006, the ELM's organisational structure was adapted to reflect the on going transformation agenda in the Council. But it is also critical to mention that the municipality has not enjoyed political and administrative continuity and stability since 2000 (suspensions of senior management, resignation of the Municipal Manager and resignation of the Executive Mayor).

Also emerging from the case studies is that IDPs have been accepted and adopted as a mechanism to guide municipalities in setting out priorities as well as to guide decision-making procedures on where significant resource allocation and reallocation decisions are to be made especially through political structure at the District level. Also, municipalities use the IDP process to promote issues

[20] Interview conducted with Hulisan Mukwevho on 01 July 2008, Emfuleni Local Municipality IDP Manager.

of join up governance[21] and coordination between local government and other spheres of government.

The aforementioned view was also supported by the IDP Manager from ELM, who argued that: *considering the fact that financial transfers from National and Provincial departments to municipalities from other spheres of government tended to be gazetted too late to inform municipal planning processes and also that indicative allocations for transfers given for outer years of the MTEF are not accurate enough to allow for more informed budget planning" (ELM IDP Manager).*

Intergovernmental cooperation or alignment emerged as a strong theme in all the case study municipalities. This is partly due to the fact that the IDP process in South Africa is highly legislated and the integrations and alignment is one of the top priories of both provincial and national spheres of government. Furthermore, some form of communication or consultation with municipalities by provincial authorities, or provincial approval of municipal plans, was inherently part of the process – as opposed to an objective that had to be achieved.

This view was also echoed by the IDP Manager from WRDM, who said "*the fact that there is too much emphasis on the legislative compliance with a myriad of legislations, this has compromised the quality and the strategic focus of IDPs"*.

4.3. OVERALL CONCLUSIONS FROM THE CASE STUDIES

The case studies have revealed that Gauteng municipalities regard IDPs as a critical strategic tool to assist them in fulfilling their developmental local government agenda, resource allocation and to improve governance but there are still a number of issues that still need to be clarified. The following points validate the statement made above with regard to the strategic planning (IDPs) at municipal level.

There is an overall agreement that the IDP is a key strategic planning tool for the municipality because it requires the involvement of all stakeholders in the formulation of budgets and it puts greater emphasis on participation and is a vehicle to address community needs. The IDP serves

21 The notion of "joined-up governance" implies new channels linking, and new points of connection between, the many different elements of government: from policy-making through operations to service provision **(**Veryard, 2002).

as a basis for communication and interaction with stakeholders by providing an explicit statement of a particular municipality's developmental needs, goals and spending priorities.

Within the municipality the IDP plays the role of providing a basis for engagement between officials, councillors, citizenry and other stakeholders. Since this engagement is focused around practical concerns such as budget allocation it should do far more than providing a talk-shop. In the longer term this engagement should promote more strongly networked localities, and also the building of the type of alliances that would make the new definition of "municipality" a reality. Also, there is a sense that IDPs are not clearly understood by all role-players, especially councillors and communities who do not view the IDP as a tool prioritisation process and use it to produce "wish lists"[22].

Despite the importance of the planning-budgeting link and the fact that it has been required of municipalities since the inception of IDPs, this has been one of the least successful aspects of the post-2000 system of Integrated Development Planning. Some of the most common reasons given for this failure are that: the IDP process was perceived to be "just another of the Planning Department's plans" and is not taken seriously; the perception that the IDP is a Plan that belongs to the IDP office should be actively countered by making it clear that the responsibility for management rests with the executive committee, the executive mayor or a committee of councillors. Also, Councillors have reportedly changed IDP plans after its adoption without any adjustment to municipal budgets.

[22] Interviews conducted with councillors for both case study municipalities

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1. INTRODUCTION

This final section discusses the methodological conclusions, the lessons and principles extracted from the specific case studies, and the degree to which the findings are addressed. The key research question and the hypothesis made at the beginning of this research report will be summed up. This chapter also offers some thoughts on the value of these findings on what needs to be done to ensure that IDPs take centre stage and to perform their strategic functions originally intended. Where possible, repetition will be avoided by cross-referencing elements common to more than one category of the conclusions.

Before proceeding, it is worth mentioning that, the research report has achieved the following successes:

- The assumptions made that Gauteng municipalities have gone beyond legislative compliance in developing their IDPs but to use them as strategic tools for decision-making, management and resources allocations were supported by data from the fieldwork.
- Most respondents came to a similar conclusion that strategic planning is a critical element in achieving good governance but the process needed to be participatory. Furthermore, the case studies have revealed that, most of the downfalls of the strategic planning process in the public sector are due to the fact that IDP is linked to the life span of an elected council. In particular, there are development processes with long-term horizons that may be disrupted by regular changes of policy and strategy.
- The value of an IDP needs to be proven in practice and in terms of outcome. To date, many IDPs have been less effective than originally envisaged. However, with the benefits of experience and hindsight, the practice of integrated development planning in Gauteng can be made more effective.
- Moreover, the studies revealed that, the continuity and stability (political leadership and administration) are critical for successful IDPs.

5.2. FINDINGS CONCERNING RESEARCH METHODOLOGY

All the issues dealt with in this research report must be read with an understanding of the case studies chosen. The method adopted as clearly stated in the theoretical framework was a combination of the following elements:

- Historical background and introduction;
- Literature review; and
- Use of case studies as pilot projects with the aid of interviews to explain some concepts.

The combination of the literature review (strategic planning, NPM and IDPs), case studies and interviews proved to be successful, and produced consistent views. Furthermore, the theoretical reviews proved to be very useful in framing the relationship between strategic planning and IDPs in relation to the key drivers that of the public service reforms. The contribution of each elements outlined above to the entirety of the research report will now be assessed more fully in the sections below.

Lastly, guiding principles and policies will be put forward as proposals to build on for applicability in the future municipal strategic planning process in Gauteng and other municipalities in the country. This will assist in the formulation of coherent and appropriate policy interventions that will enable elected officials, strategic planners and planners in gaining a deeper understanding of strategic planning and the role of IDPs.

5.3. OVERALL SUMMARY

Many of the points that relates to this section have already been discussed in the previous chapters.

5.3.1. Literature Review

The starting point is that a specific reference was made neither to the core paradigms which can be discerned as influential in the development of public sector reforms in the 1980s and 1990s - that public sector provision was inefficient and often ineffective; that it led neither to cost containment nor to quality improvement. With the problems so defined, the paradigm extended to a belief that the public and private sectors did not have to be organized and managed in fundamentally different ways. Indeed that it would be better for the public services if they could be organized and managed as much like the private sector as possible.

As alluded to at the beginning of this chapter, this section reviewed the theory and empirical research on formal strategic planning systems and New Public Management as an effective tool for strategic management, it also reviews the concepts of strategy, strategic planning, and

strategic planning systems – as well as the relationship between strategy and formal strategic planning in the public sector context.

This played a pivotal role in strengthening the depth and understanding of the concept of strategic planning and was the driver that led to its adoption in the public sector. Its function thus became indicative of how several elements of strategic planning had taken root in the public sector. The strategies associated with these approaches included among others the following: professional and flexible top management; separation of policy formulation from operations; public sector departments being carved-up into business units; emphases on privatisation, democratisation and good governance; as well as outsourcing tendering in service delivery, and individual performance management. The focus of the strategic planning -NPM as well as IDP was on creating institutional and organizational contexts which are to mirror what is seen as critical aspects of private sector modes of organizing and managing as well as efficiency.

This influenced the point of entry and the manner in which case studies and interview were undertaken. It was a traditionalist approach but it assisted in focusing attention speedily on specific propositions, which were thought to be imperative, if not central, to this research report.

It should also be mentioned that people interviewed during the process of this research report were receptive and showed a great deal of knowledge and passion with regard to the subject. But the question can be asked, what level of knowledge and passion do municipal officials have with regard to the strategic function of IDP?

5.3.2. Lessons learnt

The experiences gained with the method used during the collection of information during the case studies and interviews suggest:

- The literature review; knowledge; and engagement with the documents served to shorten and focus this component to enable one to get a deeper understanding of the dynamics in the chosen case studies.
- Since the researcher is also involved in the IDP process, informal discussions with other professionals contributed as an integral part to the process of information gathering.
- Several discussions with IDP managers from the case study municipalities and other IDP specialists; as well as local government practitioners to validate usefulness of the

5.4. RECOMMENDATIONS

As it was before, the strategic nature of IDP as a concept still has a critical role to play in assisting local government to confront development challenges. The following elements might be of great importance to other municipalities in South Africa also other public institutions that might be contemplating adopting strategic planning principles:

5.4.1. The nature of the existing legislative framework – the provisions does not encourage long-term planning nor assist councils to pursue innovative directions in integrating their plans. While this is essential, it is advisable that the regulatory requirements do not become too prescriptive, directing resources towards compliance and multiple reporting requirements, rather than achieving strategic outcomes.

5.4.2. With regard to institutional issues, it is often quantifiable aspects such as organisational structures that receive the most consideration when designing strategic planning processes. Yet it is often "softer" issues such as leadership and organisational culture that become the key success factors – not only during the planning process, but also in implementation over the longer term. Municipalities need to restructure their organisations to encourage interdepartmental communication and coordination.

5.4.3. A general lack of resources for local government as councils find it difficult to devote funding to strategic planning when there are more urgent, operational needs. Blackerby (1994) and Wright *et al. (*1998) have also argued that in the private sector, many measures of success relate to the profitability of the company and is relatively easy to identify, whereas in government institutions measuring performance is often difficult. Government managers can seldom measure success of strategic objectives in monetary terms; instead, they must frequently measure success in terms of the percentage increases and decreases in some external effect.

5.4.4. All role-players need to view IDPs as a political process involving prioritising activities so that it remains within the resource constraints faced by municipalities and not merely as a formality. Therefore, capacity in conflict resolution and negotiation would aid municipal officials, politicians and communities to compromise where there are differences in priorities. The IDP should be seen as a mechanism of social inclusion, often becoming a political process when addressing

5.4.5. Municipal officials and councillors need to understand the strategic process of specifying objectives, outputs and outcomes in specific terms to aid current budget reform processes. Also, there is a need to deal with issues of confusion over roles and responsibilities in developing strategic plans - specifically relationships between senior staff and councillors.

5.4.6. IDPs must at least provide a summary of all major features of these different plans/strategies, deal with the linkages between them, and specify and integrate all the spending implications for a five year period in a Municipal Infrastructure Investment Programme which currently is not the case.

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