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Placement of municipalities under administration

A comparative case study of Masilonyana and Nala Local Municipalities in the Free State Province in South Africa

David Matheakuena Mohale

30 June 2013

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DECLARATION

I, David Matheakuena Mohale, declare that this research report is my own unaided work. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in the field of Public Policy (MMPP) at the University of Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination at this or any other university.

.....

David Matheakuena Mohale

July 2013

DEDICATION

To my late mother, Violet Mamopeli Mohale, whose unfailing advices on the value of education inspired my discipline for and an interest in education. To my late English lecturer, Mr. William Nyatsabe, who recognised my analytical and writing skills from the moment of our very first meeting in March 2003, and worked on sharpening those skills further. This report is also dedicated to the late Mr. Gordon Taka, the official in the Free State Department of Cooperative Governance and Traditional Affairs, who helped me a great deal from the conceptualisation of the study until its completion.

May all their souls rest in peace!!!

To my best friend, Thato Lekhetho, I can only say: I thank you. This journey can be very lonely. But you stuck to your commitment of support. As you would insist, "I love you my friend". You are more than a friend; you have become my brother and my keeper. I am looking forward to our continuation of gleeful search for greatness.

To my daughter, Keitumetse Mpeko, this is for you. You are the reason why I wake up every morning and toil. At a very young age, your understanding that daddy had to go to school was very special. The presentation of this report answers your natural question: when are you completing your studies papa? Daddy will now spend more of his time with you and guide you in your already stellar academic voyage.

To my group of girls, Amaqobokazana; I am sure the completion of this project will bear a testimony that my denying you our valued time together was not in vain. I hope it inspires all of you to search for and achieve excellence in your academic endeavours and other spheres of life.

I also feel morally bound to dedicate this report to all poor young men and women in South Africa. Never cease to dream for dreams carry the direction of our aspirations.

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The successful completion of this research report confirms the timeless correctness and validity of the email I received from Professor Sipho Seepe earlier this year. The email made reference to Sir Alex Newton who is quoted as having said “"that I have seen further than the others, it is because I stood on the shoulders of the giants"”. Indeed, it takes a village to raise a child in Africa, and the successful completion of this report bears testimony to that. So many people, whose names cannot be mentioned to due space constraints, have contributed to my growth and development. I shall forever be greatly indebted to them.

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To Bra Jones Mojaki, you have invested in my life in many ways. I do not recall a stage when I called and you rejected me. I have earned the space as your son in your heart. I am thankful. The following people all deserve special mention: Mr. Sechogo Mooki; Lebohang Shabe; Gunnet Kaaf; Sam Makhubo; Kabelo Sebolai, my former English lecturer; Me. Ouma Tsopo, the current Speaker of the Free State Legislature; my high school friends: Teboho Maguma, Morapeli Makhathe and Simon Padi; Olyn Dikagisho; Peter Mothekge; Nako Makae; my former political science lecturer, Nicole Joannou; Dr Solomon Oupa Makola and Bra Dicks Nkonoane for giving me free access to CUT Welkom Campus facilities; Victor Kodisang; Palesa Notsi; Kgojane Matutle; Kabelo Mantsho; Tshepo Matsepe; Mohau Molise; Andile Mini; Dibolelo Mahlatsi; my brother 'Mzerewa' and all my respondents for enthusiastic participation and words of support and encouragement.

I am thankful to all who contributed directly and indirectly to this project.

ABSTRACT

The African National Congress (ANC) led government has, since 1994, adopted and followed the public sector reforms that took place in many parts of the world in the 1990s. In 1996, the Republic of South Africa (RSA) adopted a Constitution that established a system of cooperative governance between the three spheres of government. While local government has the specific objectives that it must pursue in terms of the Constitution, it significantly relies on the support of the other two spheres of government for the fulfilment of its objectives.

The drafters of the Constitution appear to have anticipated that local government may possibly fall short on performance. As a result, the Constitution provides for a modality of interventions in municipalities by provinces if a province deems that a municipality is failing to provide one or more services. Such interventions are becoming commonplace given a number of problems that are constraining performance of municipalities.

The study found that there are discrepancies between the procedural process provided for and the actual process implemented by the decision makers. This could be attributable to the absence of a dedicated comprehensive legislation that governs the processes for interventions in municipalities. The complexity and dynamism of the local government environment, particularly the party political power relations, do not guarantee that the intervention in a municipality will produce the desired outcomes. Essentially, a similar produces different outcomes depending on the context of the implementation of the policy.

The study concludes with broad recommendations that the decision makers could consider in order to improve the effects of the interventions in municipalities.

ACRONYMS

AFS	Annual Financial Statement
AGSA	Auditor General of South Africa
ANC	African National Congress
CODESA	Convention for Democratic South Africa
CFO	Chief Financial Officer
Cogta	Department of Cooperative Governance and Traditional Affairs
COPE	Congress of the People
DA	Democratic Alliance
DLG	Developmental Local Government
DM	District Municipality
DORA	Division of Revenue Act
DPLG	Department of Provincial and Local Government
DRTD	Declaration on the Right to Development
EXCO	Executive Council
FF+	Freedom Front Plus
FS	Free State Province
GEAR	Growth, Employment and Redistribution Strategy
ICU	Intensive Care Unit
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
KPA	Key Performance Area

LCS	Living Conditions Survey
LED	Local Economic Development
LGNF	Local Government Negotiating Forum
LGTA	Local Government Transitional Act
LGTAS	Local Government Turn-Around Strategy
LM	Local Municipality
MDB	Municipal Demarcation Board
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MLM	Masilonyana Local Municipality
MM	Municipal Manager
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act
MTAS	Municipal Turn-Around Strategy
MTREF	Medium Term Revenue and Expenditure Framework
NCOP	National Council of Provinces
NDP	National Development Plan
NP	National Party
NPC	National Planning Commission
NLM	Nala Local Municipality
NPM	New Public Management
NT	National Treasury

PEC	Provincial Executive Council
PMS	Performance Management System
PWC	Price Waterhouse Coopers
RDP	Reconstruction and Development Programme
RSA	Republic of South Africa
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan
SMME	Small, Medium and Micro Enterprises
SOE	State Owned Enterprise
TLC	Transitional Local Council
UN	United Nations
WPLG	White Paper on Local Government

Chapter One: Introduction

Introduction

1.1. Introduction

The municipalities in the democratic South Africa are expected to play a major role in facilitating development and improving the living conditions of the citizens of the Republic. In assigning this big responsibility to the local government sphere, the drafters of the Constitution seem to have anticipated that municipalities could fall short of satisfying the realisation of this mandate. They included Section 139 in the Constitution, which empowers the provincial sphere of government to assume those executive obligations that a municipality may fail to execute. Section 139 of the Constitution (1996:76) obliges the Provincial Executive Council (PEC) to intervene in a municipality through assuming responsibility for the relevant obligation to the extent necessary to:

- maintain essential national standards or meet established minimum standards for rendering service;
- prevent that municipal council from taking unreasonable action that is prejudicial to the interests of another municipality or the province as a whole; or
- maintain economic unity.

This study explored the background to and processes surrounding the placement of two municipalities under administration, namely, the Masilonyana Local Municipality (MLM) and the Nala Local Municipality (NLM), in Lejweleputswa Region, in the FS province. This chapter makes the case for the selection of this type of study, and outlines the research objectives and questions. It contains the problem statement, the hypothesis of the study, ethical considerations and limitations of the study. It also deals with the research methodology applied in carrying out the study. The chapter concludes by giving a summary of the organisation of the study, briefly explaining what each chapter contains.

1.2. Background to the study

South Africa emerged from decades of the official policy of exclusion of some sections of its society and embraced an all inclusive formal democracy in 1994, ending its pariah state and fast developing into a global player of note. The period of exclusion meant that majority of

the population of the country, who happen to be black, are largely characterised by under-development. This group in society co-exists with its minority counterpart that benefited from the discriminatory benevolence of the previous government. Some observers, like Mohamed (2011), believe that South Africa's specific political and economic history accounts for the current social and economic inequality as one of the great challenges, along with poverty and unemployment, facing a democratic South Africa.

The historical impact of the apartheid system is significant as it laid inevitable challenges for the new government that was constituted in 1994. The challenges the new government inherited also had wide and onerous ramifications for the local sphere of government. The enormous challenges confronting the newly repositioned and transformed local government were well timely recognised in the White Paper on Local Government (WPLG), arguably the blueprint for a developmental local government in South Africa: "Local government has a critical role in rebuilding communities and environments, as the basis for democratic, integrated, prosperous and truly non-racial society" (White Paper on Local Government, 1998:8).

The local government would pursue this mandate within a specific constitutional context. While the post-apartheid governance reforms positioned local government as "the primary motor for sustainable development" (Solomon, 2002:256), it does not necessarily exclude other spheres of government from the arduous task of development. As it will be seen in Chapter two, the RSA Constitution provides for three spheres of government which are national, provincial and local. The Constitution (1996:25) also prescribes that these three spheres are "distinctive, interdependent and interrelated".

This implies that the three spheres must deliberately cooperate, amongst others to provide "effective, transparent, accountable and coherent government for the Republic as a whole" (RSA Constitution, 1996:25). The context of cooperative governance and subsequently the notion and practice of intergovernmental relations (IGR) in South Africa is significant as the research topic hinges on it. The Department of Provincial and Local Government[2] (DPLG) developed guidelines for interventions in provinces and municipalities which explicitly require that interventions should be within the framework and spirit of the principles of cooperative government consistent with Chapter 3 of the RSA Constitution**.**

[2] The Department of Provincial and Local Government was renamed the Department of Cooperative Governance and Traditional Affairs following the 2009 National Elections, under President Zuma administration

1.3. Rationale for the study

The governance reforms that RSA went through since 1994 led to the repositioning of municipalities as "the main delivery agent" in pursuance of a new era policy ambitions (Pycroft, 2000:144). The bulk of service delivery in pursuance of social and economic development thus became the responsibility of local government. Tshishonga and Mafema (2010:562) observe that "decentralisation therefore became the core and the state arm towards fast tracking service delivery and local development backlogs created by the past segregatory and discriminatory apartheid bureaucracy".

The careful reading of the RSA Constitution leads to a conclusion that local government has been tasked with the arduous responsibility of human development in quest for the realisation of the Bill of Rights. This task seems "too broad a scope" for many municipalities to deliver efficient and effective basic services (Frodin, 2011:194). Elsewhere, Pycroft (1996:233) observes that the local councils were thus instantly confronted with "a daunting task" of having to balance delivery and democracy. Further details on this challenge will be shared in the next chapter.

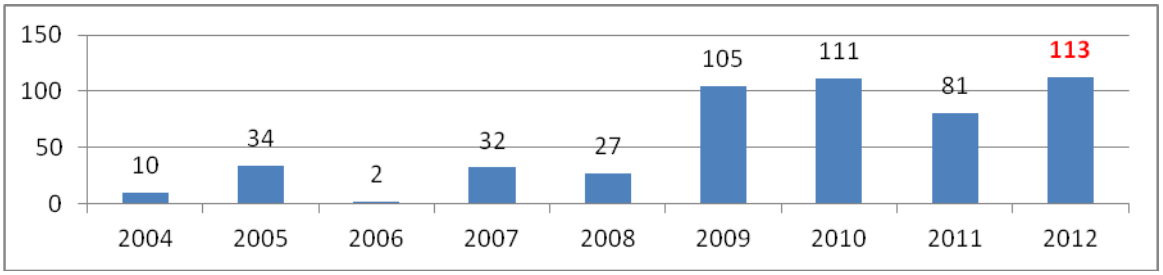
Sustainable development would be achieved through the realisation of the following local government objectives as provided for by Section 152 of the Constitution (1996:84).

- to provide democratic and accountable local government for communities;
- to ensure provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment;
- to encourage the involvement of communities and community organisations in the matters of local government.

The anticipated realisation of these objectives thus laid the basis for the conceptualisation of a democratic local government system as developmental. The Developmental Local Government (DLG) would have to address serious service delivery backlogs inherited from the deliberately skewed spatial planning of the apartheid regime. One would therefore argue that a developmental local government is essentially an outcome of the ability and capacity of municipalities to satisfy these Constitutional broad goals. This contention suggests that municipalities may not necessarily be fully developmental given the current state of service delivery versus the spate of related protests that have risen exponentially since 2009 (Kondlo,

2011:924). Holden (2012:334) adds that these protests have also grown "proportionally more violent".

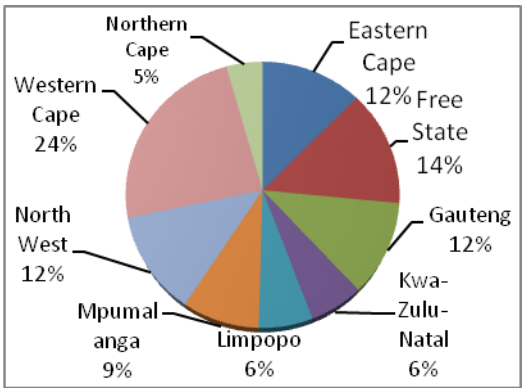
Figure 1.1: Major Service delivery protests, by year (2004 – July 2012)



[Source: **Municipal IQ** Municipal Hotspots Monitor]

The Municipal IQ (2012) observes that the trend of violent protests remains a key concern, with 88% of protests in July 2012 turning violent. 46% of protests in July took place in informal settlements and these could suggest a potential exclusion of the communities from local economies, thus making thus making desperate. The Western Cape and the Free State were the leading provinces when it came to the prevalence of service delivery protests. See Figure 1. 2.

Figure 1.2: Service delivery protests by province 1 Jan- 31 July 2012



[Source: Municipal IQ Municipal Hotspots Monitor, *rounded off]

To achieve the ideal of a responsive municipality, the WPLG (Department of Provincial and Local Government, 1998) identifies the following pillars of the DLG, which will be discussed at length in the next chapter:

- maximising economic growth and development;
- integrating and coordinating the development activities of other role players including national and provincial government;

- democratising development by facilitating and encouraging the fullest possible participation of citizens; and
- leading and learning.

It could be argued that the performance of South Africa's 283 local municipalities has varied with regard to social and economic development. In an effort to ensure that municipalities do not fail to meet the expectations of communities from 'their' government, national and provincial governments piloted and introduced support programmes aimed at building capacity in municipalities to deliver on their daunting task. The results of these support programmes have only been minimal, leading to an admission in 2009 that municipalities in South Africa are in "distress" (Cogta: 2009), and subsequent formulation and adoption of the Local Government Turn-Around Strategy (LGTAS) in November 2009. Some commentators had already remarked long before the government's own assessment of local government in 2009 that this sphere had been appalling in its responsiveness (van Dijk & Croucamp: 2007) and that it had been in paralysis "in terms of service delivery and internal control compliance" (Ababio, 2007:4).

1.3.1. The state of Masilonyana and Nala Local Municipalities

According to Census 2011 (Statistics SA, 2012) only 11366 out of a total of 63334 individuals are employed in MLM, accounting for only 20% employment that must together with businesses and government departments constitute the revenue base for the municipality. In NLM, only 15729 individuals are employed out of a total of 81220, accounting for merely 19.4% of all employed people in the municipality. Be that as it may, the percentage of unemployment in the two municipalities is relatively lower, which could suggest that a signification section of the community could be a school-going youth.

Table 1.1: Population and employment distribution in Masilonyana and Nala

	Total Population	Employed Population	Percentage of employed population	Unemployed population	Percentage of unemployed population
Masilonyana LM	63 334	11366	20%	7220	11.4%
Nala LM	81 220	15729	19.4%	8820	10.9%

Source: Adapted from Census 2011 report, Statistics South Africa

The 2009 Cogta study classified the NLM in the category of second class of most vulnerable municipalities while MLM was classified under the second most highly performing municipalities[3]. Both the two municipalities fall outside the category of the fifty seven most vulnerable municipalities nationally which are largely the disestablished apartheid Bantustans found mainly in the Eastern Cape, KwaZulu-Natal and Limpopo. The department also reported the two to be in financial distress.

Table 1.2: Comparative characteristics between the second class of highly performing municipalities and second class of most vulnerable municipalities

Second class of most highly performing municipalities (MLM)	**Second most vulnerable municipalities (NLM)**
Commercial farming areas supported by small towns	Commercial farming areas with small service towns
The smaller mining towns	Some portion was previously located in the disestablished apartheid homelands (*this is not the case with the NLM*)
Semi desert areas	Semi desert areas or those with low population densities (the NLM population is marginally higher than that of the MLM)

*Abstracted from Cogta report on state of local government in South Africa

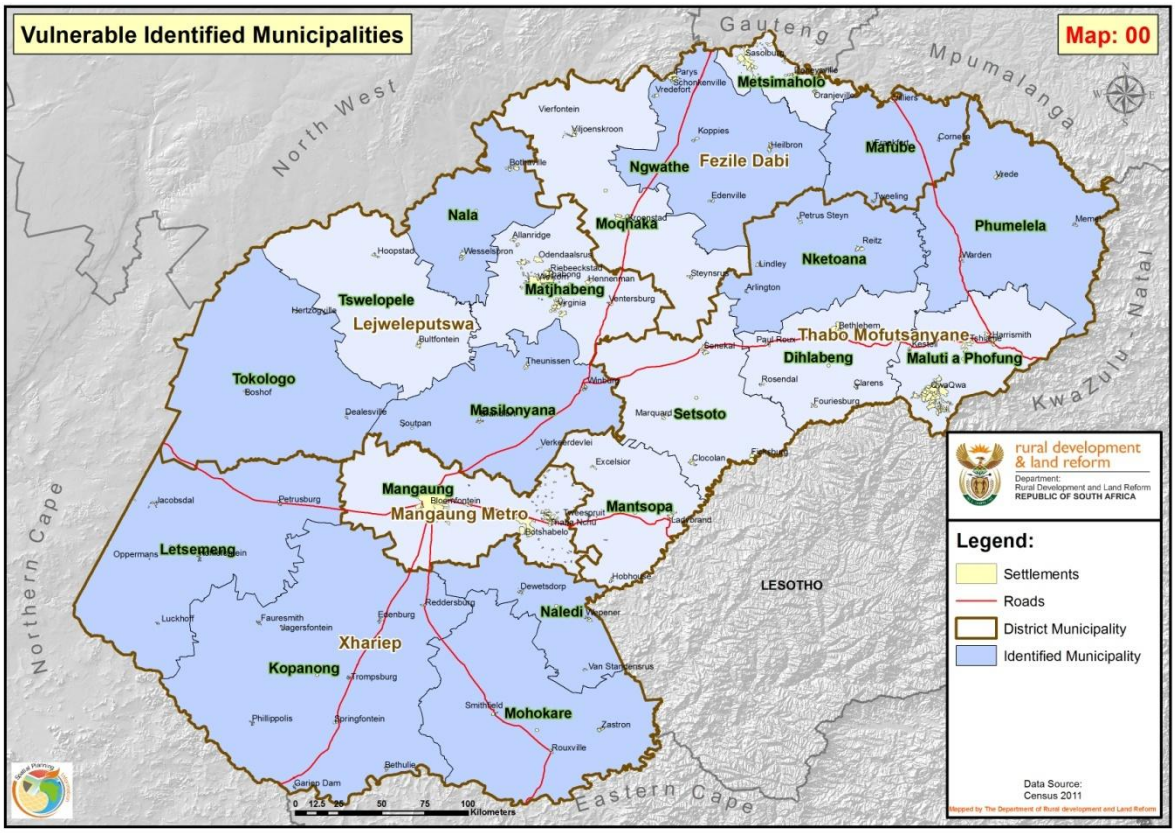
In December 2009, both these two municipalities were placed under administration by the FS PEC until 30 June 2011 in accordance with Section 139 (1) (b) of the Constitution. This is invoked when the municipality is deemed unable to fulfil executive obligation in terms of the Constitution or legislation.

In light of the letter and spirit of the practice of cooperative governance in South Africa, Section 139 is somewhat a heavy intervention and therefore resorted to only when all other interventions have failed. The government, through guidelines applied in implementing Section 139, recognises that this form of intervention is "a severe inroad in local government's institutional integrity" (Department of Provincial and Local Government, undated: 16). In this context, it means that the two municipalities have had sustained serious problems in delivering services to their respective communities.

[3] Cogta has a municipal spatial classification system based on functionality, socio-economic profile and backlog status of a municipality.

To take one issue as an example, the audit outcomes of the two municipalities during the 2006-2011 term of council(s) are indicative of perennial governance weaknesses. The NLM received three consecutive disclaimer outcomes during the first three years of the term, while it could not submit the required documents to the Auditor General of South Africa (AGSA) for audit in the last two years. Similarly, the MLM had been stuck in the disclaimer category during the same period notwithstanding the intervention from the province.

Figure 1.3: Identified vulnerable municipalities in the Free State Province



Source: Rural Development and Land Reform

According to the 2009 FS PEC 08 December Resolution, the NLM was placed under administration due to its inability to manage its own affairs in relation to administrative compliance; inability of council to convene meetings thus leading to failure to pass the Integrated Development Planning (IDP) and the budget as provided for by the law; and the collapse of public participation. The MLM was placed under administration due to the collapse of administration, the inability to spend the Municipal Infrastructure Grant (MIG) and the failure to pay creditors. All these conditions are a result of problems that built over a period of time, suggesting deeper problems that the two municipalities are confronted with.

The analysis of performance of the two municipalities must be understood in the context of their vulnerability, as shown respectively by Table 1.1 and Figure 1.3 above.

1.3.2. Interventions in municipalities in terms of Section 139

According to an undated report from national Cogta, a total of fifty-five municipalities have been placed under administration because of different reasons. This constitutes nineteen percent (19%) of all South Africa's 283 municipalities[4]. Most of these interventions were in the North West (eleven municipalities) and the Free State provinces (ten municipalities). The North West province has contributed twenty percent (20%) of all interventions, one percent (1%) higher than the national average of 19% while the Free State province has contributed eighteen percent (18%) of interventions, one percent (1%) lower than the national average. These numbers do not include the latest 2013 interventions that have been instituted in the North West and the Free State provinces in the middle of writing up this report.

The FS province comprises of one Metropolitan Municipality, four districts and nineteen local municipalities since the local government elections of 2011. Before the 2006 local government elections, the province had twenty five municipalities made by twenty local municipalities and five districts. Until 2009, forty percent (40%) of all FS municipalities had been placed under administration. Two are district municipalities while eight are local municipalities, and the interventions happened in all five regions of the province. The Lejweleputswa District had not experienced interventions in terms of placing municipalities under administration until 2009. The interventions in the MLM and the NLM are the therefore the first in the region.

[4] The report used for calculations in the first paragraph under 1.3.2 is from National Cogta and is undated and without page numbers. It listed under documents used in Chapter Four and in Appendix 2. The calculations/analyses are the researcher's own work.

Table 1.3: Municipalities placed under administration by the respective administrations since the advent of Section 139 interventions

1994 – 1999 (Mandela Administration)	1999 – 2004 (Mbeki Administration)	2004 – 2009 (Mbeki and Motlanthe Administrations)	2009 – present (Zuma Administration)
Merafong/Wedela TLC	Mafikeng LM	Mamusa LM	Ngaka Modiri Molema DM
Stilfontein TLC	Lekwa Taemane TLC	Ditsobotla LM	Moses Kotane LM
Viljoenskroon TLC	Noupoort/Umsobomvu	Moqhaka LM	Tswaing LM
Tweeling TLC	Qaukeni LM	Phumelela LM	
Warenton/Magareng TLC	Ogies/Emalahleni TLC	Mohokare LM	Madibeng LM
Butterworth-Mnquma TLC		Xhariep DM	Thabo Mofutsanyana DM
		Ngqushwa LM	**Nala LM**
		King Sabata Dalindyebo LM	**Masilonyana LM**
		Elundini LM	Naledi LM
		Mnquma LM	Nokeng tsa Taemane LM
		Thaba Chweu LM	Alfred Nzo DM
		Mbombela LM	Kou-kamma DM
		Pixley ka Seme DM	Sunday River Vally LM
		Abaqulusi LM	Mkhondo LM
		Amajuba DM	Lekwa LM
		Umzinyathi DM	*Thaba Chweu LM*
		Newcastle LM	Thembisile Hani LM
		Uthrecht LM	Umhlabuyalingana LM
		Amajuba DM	Okhahlamba LM

		Oudtshoom LM Beaufort West LM	Umsunduzi LM Stellenbosch LM Overberg DM Mafikeng LM Indaka LM

Note: this comparative table was developed by the researcher using the undated report referred to (See footnote 4) The comparison of administrations and analysis is the researchers' own work.

While Cogta nationally argues that a total of fifty five municipalities have been placed under Section 139 of the Constitution since 1996, the table above, developed using National Cogta report, indicates that there are actually fifty three municipalities that have been placed under administration. This point is made because of the fact that both Amajuba District Municipality (DM) and the Thaba Chweu Local Municipality (LM) [*both in italics*] have been placed under administration more than once. The comment on municipalities that were placed under administration more than once excludes those that have been placed under administration during the transitional period of town-based councils and in the aftermath of the amalgamation of Transitional Local Councils (TLCs) to form new municipalities following the 2000 local government elections.

According to Table 1.3 above, nine of the interventions have been imposed on district municipalities, whose legislative role is mainly to render support to local municipalities and facilitate regional development. The rest of forty four interventions have been imposed on local municipalities. This could be consistent with the constitutional positioning of local municipalities as the fulcrum of service delivery since 1994, therefore suggesting that governance problems are more pronounced at this level. It is important to note that all successive African National Congress (ANC) administrations imposed interventions in municipalities that have problems. Six of the municipalities that were placed under administration were during the era of transitional local government period before the era of the DLG.

Forty eight municipalities have been placed under administration since the dawn of the DLG in November 2000. This reality, on its own, raises questions about the relationship between the state of the art, vaunted policy intention of decentralisation and the actual policy outcomes. It is important to observe that the increase in placing municipalities under

administration since the year 2000 is also consistent with the exponential increase of violent service delivery protests since the same period, with citizens resorting to unapproved strategies of participation and influencing policy.

The fourth democratic administration under President Zuma is leading with a number of interventions in only four years of its incumbency. On average, it means the current administration places at least five municipalities under administration annually. This is an important observation worthy of mention although the study does not investigate the relationship between leadership personalities and governance decisions. Since 2009 twenty-two municipalities have been placed under administration, including the two that are the unit(s) of analysis. In the provincial context, four have been placed under administration since this period.

Following the end of the interventions in these two municipalities in June 2011, it was not clear if the situation improved (significantly) in all key areas of performance or only on specific areas of intervention, or anything at all. In 2006, the Cabinet of South Africa adopted what came to be known as the five-year Local Government Strategic Agenda (DPLG, 2006). This intervention intended to categorise functions of municipalities into five broad Key Performance Areas (KPAs). These are basic services, institutional transformation and development, good governance and public participation, local economic development and financial viability. These five performance areas will therefore be used as a tool in assessing the effect of the interventions in the two municipalities.

1.3.3. Why Nala and Masilonyana Local Municipalities?

Almost immediately in the aftermath of the ending of the intervention, the Public Protector visited the NLM and found that conditions in the area were "inhumane" (*Sowetan*, May: 2012). Further, the National Treasury (NT) released two media statements respectively on 12 September 2012 and 18 January 2013 (www.treasury.gov.za) respectively announcing the intention to invoke and the actual invocation of Section 216 (2) of the Constitution against the NLM for "persistent breach of financial management prescripts and alleged mismanagement of public funds". Section 216 (2) of the Constitution empowers the NT to stop the financial transfers to any organ of the state if it fails to comply with the Division of Revenue Act (DORA). According to these media statements, the NLM failed to submit:

- The 2009/10 and 2010/11 audit reports;
- The 2009/10 and 2010/11 annual financial statements (AFS);

- The 2009/10 and 2010/11 Municipal Finance Management Act (MFMA) Section 72 reports and annual and performance assessment reports; and
- The 2012/13 Medium Term Revenue and Expenditure Framework (MTREF) tabled budget and hard copy of the 2012/12 adopted MTREF budget.

It is important to note that at least two financial years were during the period of intervention in the municipality. Ordinarily, a fair expectation would be that the intervention should have addressed these basic compliance matters. In fact, the minutes of the FS PEC meeting dated 08 December 2009 are instructive on the issues that the administrator together with the Council must address: "The administrator must ensure that the municipality provides quarterly financial and performance reports". Had the municipality provided quarterly reports as per the instructions of the PEC, it would not have struggled in compiling annual financial and performance reports.

The end of intervention in the MLM was followed by community protests and workers' strikes. Reasons for this reaction were unknown. At the time of conceptualising the study (October-November 2012), seventeen months after the interventions, the two municipalities were operating with critical vacancies in management, as indicated in Table 1.4 below, thus suggesting administrative instability. Only municipal managers and one or two senior managers had been appointed.

Table 1.4: The features of the two municipalities in the immediate aftermath of end of interventions[5]

Masilonyana Local Municipality	**Nala Local Municipality**
Vacancies at senior management remained unfilled, with only the Municipal Manager (MM) appointed	Vacancies at senior management remained unfilled, with only the MM appointed
Received disclaimer opinion on the 2010/2011 financial year (*the administrator spent the whole financial year in the municipality*)	The municipality could not be audited for two successive years as provided for by the law
Unions had not supported the ending of the intervention; they embarked on recurring strikes due to their dissatisfaction about workers' interests	The NT had issued a media statement and written to the municipality and the province about its intention to invoke Section 216 of the Constitution, which empowers it to stop and suspend transfers to a state entity if there is a continual breach of the law

[5] This is researcher's own observation in the immediate aftermath of the ending of interventions in the two municipalities. With regard to the MLM, the researcher was still the employee at the time of discerning these features.

	regarding compliance
The entire staff in the finance department was suspended; the Chief Financial Officer (CFO) and Director: Corporate Services were also suspended	There was at least one petition from a community member who felt that the intervention through Section 139 (1) (b) had failed; the petition was calling for intervention in terms of Section 139 (c) which grants the Member of the Executive Council (MEC) responsible for local government in the province discretionary powers to dissolve the entire council
Regular water cuts in some areas of jurisdiction of the municipality	Continuous negative media coverage on the state of service delivery in the municipality and the visit by the Public Protector who found that the community in the municipality experienced "inhumane conditions"
	Unable to pass the IDP and the budget as required by the MFMA

Source: Own investigation

The existence of specific conditions that threaten the achievement of government policy goals trigger interventions. Official reports cite the collapse of administration and governance, for example, as the basis that prompted the invocation of Section 139 (1) (b) of the RSA Constitution in the two municipalities. The collapse of administration and the failure of governance are certainly too broad concepts that offer a little regarding the root causes of problems. The study therefore aimed to fathom the details of the pre-intervention period, the intervention phase and immediate post-intervention period in the two municipalities.

It was also important to know who the actors involved in the process were. As it shall be seen in the next chapter on Literature Review, local government is an important platform bringing together many actors to shape local development. By implication, it would logically follow therefore that there is no single actor in this space that could solely be responsible for the collapse of administration, the governance failures and many other processes and systems that have gone awry. Equally, it would follow that acts of commission to resolve identified problems will certainly be the responsibility of all.

1.4. Problem statement

The positioning of municipalities as the fulcrum of service delivery in 1994 was coupled with concomitant design of support programmes that would enable them to fulfil their mammoth task. These programs have to date only registered some progress, leaving "deep rooted

problems and capacity challenges" almost unchanged (Cogta, 2009:4). Tshishonga and Mafema (2010:564) argue that even the Project Consolidate, dubbed the "hands-on programme of support and engagement for local government" failed to be the panacea. The persistence of perennial problems even in municipalities that were placed under administration, as seen in Table 1.3, suggests that this specific type of intervention could also be falling short on policy expectations.

Municipalities are confronted with a myriad of problems. The disarray in municipal finance is arguably the "most starkly revealed" (Pycroft, 2000:146). Pycroft (2000:146) also lists inadequate training of staff, the incompatibility of municipal financial year with national and provincial years, poor understanding of municipal planning processes by affected actors as serious concerns facing municipalities (2000: 148-156). The inability to find a balance between what Heller (2008) describes as two desiderata of developmental local government - efficiency and participation - could be even a more complex challenge for municipalities.

The institutionalisation of service delivery protests points to the "policy pitfalls" (Nkondlo: 2011, 294) of delegating the 'bulk of service delivery' to local government (Pycroft: 1996; Tshishonga & Mafema, 2010:564) despite national and provincial governments rendering support to strengthen the capacity of municipalities. Another worrying indicator suggesting the parlous state of municipalities is the annual reports of the AGSA. For instance, there is no single municipality in the Free State that received clean audit for the financial year that ended on 30 June 2011 (AGSA, 2012). The NLM was not audited during this period due to their inability to submit the AFS and failure to indicate when they would submit the required documentation. Four out of all twenty-five municipalities in the FS province were under administration between 2009 and 2011.

Table 1.5: Audit outcomes of Free State Municipalities in the previous term of councils

Municipality	2006/2007	2007/2008	2008/2009	2009/2010	2010/11
Moqhaka	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer
Ngwathe	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer
Metsimaholo	Qualified	Disclaimer	Disclaimer	Disclaimer	Disclaimer
Mafube	-	Disclaimer	Disclaimer	Disclaimer	-
Maluti-a-Phofung	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer
Dihlabeng	Disclaimer	Disclaimer	Disclaimer	Qualified	Qualified
Setsoto	Qualified	Qualified	Qualified	Qualified	-
Nketoana	Disclaimer	Disclaimer	Disclaimer	Qualified	Unqualified
Phumelela	-	Disclaimer	Disclaimer	Disclaimer	Adverse
Mangaung	Qualified	Disclaimer	Disclaimer	Disclaimer	Disclaimer
Mantsopa	Qualified	Qualified	Disclaimer	Qualified	Qualified
Naledi	Disclaimer	Disclaimer	Adverse	-	Disclaimer
Kopanong	Qualified	Disclaimer	Disclaimer	Disclaimer	Disclaimer
Letsemeng	Disclaimer	Disclaimer	Disclaimer	Adverse	Disclaimer
Mohokare	Disclaimer	Disclaimer	Adverse	Disclaimer	Disclaimer
Matjhabeng	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer
Nala	Disclaimer	Disclaimer	Disclaimer	-	-
Masilonyana	Disclaimer	Disclaimer	Disclaimer	-	Disclaimer
Tswelopele	Unqualified	Unqualified	Unqualified	Qualified	Qualified
Tokologo	-	Disclaimer	Disclaimer	Disclaimer	-
Adverse	0/20	0/20	2/20	1/20	1/20
Disclaimer	11/20	17/20	16/20	11/20	11/20
Qualified	5/20	2/20	1/20	5/20	3/20
Financially Unqualified	1/20	1/20	1/20	0/20	1/20
Incomplete	3/20	0/20	0/20	3/20	4/20

Source: Auditor General of South Africa (2012)

In lieu of the fact that these two municipalities have only recently emerged from the interventions under the presumption that their administration and governance had improved, why is it that they failed to achieve clean audit in the financial year that they were under administration? To borrow from Heller (2001:121), there is a case for "the sobering question" of what difference the placement of municipalities under administration makes to local development in pursuance of their constitutional mandate. To be more precise, the study seeks to find out if interventions help municipalities to address the deep-seated problems that got them placed under administration in the first instance and if the minimum standard of service delivery and good governance are restored.

1.5. Research objectives

The intervention in terms of Section 139 in municipalities is aimed at finding lasting solutions. This implies that the intervention must uproot and eradicate all that that has been identified as the hindrance and that weakens the ability of the affected municipality to deliver

services of quality to the community in a sustainable manner. The study therefore mainly aimed to find out if the specific Section 139 (1) (b) intervention helped to improve the performance of the two municipalities when it comes to service delivery. Further objectives of the study are as follows:

- to find out if the primary aims of placing these two municipalities under administration were met;
- to find out if there were other options considered before placing these two municipalities under administration;
- to find out what the factors are that influence the outcome of the interventions.

1.6. The topic and research questions

A total number of municipalities placed under administration since the advent of the policy could be suggesting that the policy of interventions in municipalities is becoming commonplace. To date, 19% of all South Africa's 283 municipalities have been placed under administration. As seen earlier, twenty two municipalities have been placed under administration since 2009 alone when the Zuma administration took over, under the mobilising slogan that the government would work faster, better and smarter. That means 40% of the entire fifty five municipalities have been placed under administration in the last three and half year, claiming the highest number of municipalities in one term. [6]It is against this background that the following research topic was formulated:

- Placement of municipalities under administration: A comparative case study of Masilonyana and Nala Local Municipalities (in the Free State)

1.6.1. Research questions

As it shall be argued in Chapter 2 of this report, governments are confronted with numerous problems that they must resolve in quest for human development. They act deliberately in search of solutions through formulation and implementation of policies designed to resolve specific concerns. At the surface, the implementation of a policy must lead to a reduction of identified problems and an improvement of desired conditions. This would mean that placing municipalities under administration should lead to the goal of finding lasting solutions.

[6] Own analysis in line with Table 1.3.

Interpreted differently, any municipality placed under administration should (ideally) never experience the governance and service delivery problems again.

The following research questions have therefore been deliberately posed to find out if this specific intervention does yield intended results:

1.6.1.1. Primary Research Question

- What is the difference on performance of municipalities after being placed under Section 139 (1) (b) intervention of the RSA Constitution?

1.6.1.2. Supplementary questions

- What are the processes that are followed in deciding to place a municipality under administration?

- What are the factors that influence the implementation and outcomes of the interventions in the two municipalities?

1.7. Hypothesis

Policies are ultimately about relationships between different factors and different policy actors. Governments formulate, adopt and implement public policies precisely because they believe that the implementation of interventions contained in policies will logically lead to a desired performance outcome compared to the one before remedial action. It will therefore follow that policy observers will expect that interventions in municipalities in terms of Section 139 of the Constitution will produce a positive outcome.

According to Salkind (2011:7) the purpose of a hypothesis is to posit a clear relationship between different factors. Two different factors that are used in the formulation of the present study's hypothesis are the intervention in terms of Section 139 of the RSA Constitution and the performance of municipalities. For this study, the following hypothesis is adopted:

- Placement of municipalities under administration should lead to improved service delivery performance.

1.8. Research methodology

This subsection highlights the approach used in undertaking the project as well as techniques employed in gathering the data. The study used the qualitative research method precisely because it is exploratory in nature. Preference of the qualitative approach as opposed to the quantitative method was informed by the appreciation that the local government sphere is

highly complex and dynamic, therefore largely amenable to contextual factors. It shall be seen throughout the study that the context is emphasised as the main variable that could produce different outcomes irrespective of the singularity and similarity of intervention(s).

The study used both the semi-structured interviews and documentary analysis to collect data. Eight role players involved in the local government sector across all the three spheres of government were interviewed using a set of semi-structured, open-ended questions. They were also allowed, subject to the study framework, to comment on other important aspects that they strongly felt were unintentionally omitted from the questions and would have a major influence on the findings and quality of the study.

A list of official government documents used is provided under the relevant chapter and on appendix 1 as attached. These records assisted the study a great deal in keeping it focused through reformulating some questions and adding new questions altogether. The only weakness about access to documents is that the information on the NLM largely relies on interviews with respondents than official records. The municipality was found to be highly disorganised when it comes to management of records. Be that as it may, some information about the municipality could still be sourced from the provincial government reports and these provided some insight on some performance areas of the municipality.

1.9. Limitations of the study

The prosecution of an academic research is inherently a Herculean task and is bound to experience some limitations. It is therefore important that the researcher is aware of the innate and 'man-made' limitations that come with the magnitude of the study and develop strategies to minimise the risks that may affect the credibility of the study.

- The first limitation of the study was the researcher's choice not to interview politicians at all levels. The findings of the study are purely out of interviews with officials in administration and official reports as well as other documents, which are purely administrative in nature. The researcher used his discretion to conclude that politicians may not be useful players in the provision of valuable information. However, it could be rationalised that the primary role of technical staff is to advise the politicians. This argument should then compensate for the purposive exclusion of politicians.

- The second limitation became the exclusion of community members in the study. The very notion of the DLG rests on public participation as its main pillar. It would therefore follow that the ultimate evaluator of government policies, programmes and services must be the citizen. The decision to exclude the citizens was influenced mainly by challenges that could have emerged around sampling, time and the fact that the policy of interventions itself does not formally recognise the involvement of the citizens pertaining to the decisions about placing municipalities under administration.
- The third limitation has to do with the fact that the study was done less than two years post the ending of the interventions in the two municipalities. Some could argue that this is too short a period to conduct a meaningful assessment of the policy impact. However, there is a counter argument. The condition for the termination of the intervention is that the PEC must have satisfied itself that the municipality is in a position to run on its own again. This means that the evaluation of the intervention starts from the day the administrator starts his/her mandate as the representative of the PEC
- The fourth limitation is that the researcher himself was an employee of the MLM at the time it was under administration (Chief of Staff in the Office of the Mayor). While he could not strictly use observation as a research technique, the possibility of that experience influencing his judgement and analysis should not be ruled out altogether. However, he deliberately acted in a manner that does not rely on his experiences at the time he was at the municipality and thus compromise the much required objectivity.
- The last limitation that the researcher and the reader have to discern is that the social phenomenon under study is limited to only two smaller municipalities situated in one region and one province. This is not the study of the entire or majority interventions executed by provincial governments since the advent of the policy. It is therefore accepted that the findings of the study would not be generalised as this is definitely not a comprehensive evaluation of the policy of interventions in municipalities. However, findings of the case study provide illuminating experiences and findings that could generally be applicable in different settings.

1.10. Ethical considerations

Ethics are important in social research and have to do with the acceptable conduct of the researcher. It is incumbent upon the researcher not to expose the participants to any physical or other forms of harm. The researcher cannot force participation by an unwilling person in the study. It is for this reason that the researcher could not further pursue two other respondents who had indicated they would participate, only for them to keep vacillating for more than two months. The researcher took it upon himself to exclude them and their organisations as they both hold senior positions in their respective organisations.

The researcher further took it upon himself to explain in detail the purpose of the study. He committed to the respondents and government officials that availed the information that the information would be used strictly for purposes of the study. The researcher had an agreement with all the respondents that their official designations at work would be used instead of names. Furthermore, respondents were made aware that direct quotes would be used in the report.

All participants were made aware that the conversations were recorded. The researcher complied with all the specific requirements that some organisations requested before their participation in the study. For instance, one institution requested that an authorisation letter and the supervisor confirmation would be the requirements for their participation. Lastly the researcher committed to sending out a draft report to all participants in the study as a measure of quality assurance towards the findings and he acted in line with this commitment. The respondents were given a maximum of seven working days to comment on the findings.

1.11. Overview of the chapters

Chapter 1: The chapter introduces the research topic and builds a case on why this study is relevant. It deals with issues such as the background to the study, which is an attempt to understand the role of local government in context. The rational of the study makes an abridged reference to some challenges that municipalities in South Africa face, the history of Section 139 interventions since the advent of the policy as well as the position of the two municipalities as the units of analysis in this study. The chapter also deals with the research objectives, research questions, problem statement, hypothesis, key study limitations as well as ethical considerations.

Chapter 2: This chapter focuses on the literature review. Its main argument is that the specific policy research issue at hand (interventions in municipalities) is dealt with in the context of the system of intergovernmental relations. It deals with the essence of government, the challenges the present-day South Africa faces, the central-local relations, the relationship between the developmental state and the developmental local government. It lists and discusses specific capacities that are prerequisites for making local government truly developmental.

Chapter 3: This chapter deals with the theoretical orientation of the study. The network theory is used as the theory of the study and therefore a context of analysis of the results. The chapter justifies the choice of the network theory as opposed to other social science theories. The main argument posited for the choice of a theory is that local government or municipal environment is inherently characteristic of multiple stakeholders mainly as a result of the spirit and the essence of the RSA Constitution as well as the public sector reforms that local government throughout the world have undergone since the 1990s. The conclusion of the chapter is that the success or lack thereof in which municipalities deal with coordination issues is the key determinant in influencing the policy outcome.

Chapter 4: The chapter explains that the qualitative method has been used as the approach for the study, and further argues that in the context of the study, there is a relationship between the choice of a theory and the choice of research methods. It explains that documentary analysis and semi-structured interviews have been used jointly as the main instruments of the study. It concludes by explaining the strategies used in analysing the findings of both the documentary analysis and the semi-structured interviews.

Chapter 5: The chapter contains the presentation, discussion and analysis of the results. The findings are presented according to themes and relationships established. Some are based on interviews; some on documentary analysis while some are based on a combination of the research instruments. The discussion is done against the backdrop of the literature review.

Chapter 6: The chapter concludes the research report. It summarises the discussion of themes and results presented in Chapter 5. It concludes the discussion of each theme with a recommendation and highlights the fact that recommendations will mainly apply to the provincial sphere of government as the intervention process should ideally be initiated by the province. It also points out that there is an opportunity for possible future research on the very policy of interventions.

Chapter Two: Literature Review

Literature review

2.1. Introduction

The chapter briefly reviews key challenges facing South Africa today, which are poverty, unemployment and inequality. The role of local government is therefore assessed in this context since it will be demonstrated in this chapter that there is no single sphere of government that is going to succeed to achieve the mandate of development acting alone. All spheres of government must deliberately act cooperatively in pursuance of the broad constitutional development goals.

While local government has been assigned specific goals as seen in the previous chapter, it is argued that the success or failure of municipalities in performance of their tasks hinges heavily on the support, monitoring and oversight role of other spheres of government. In the main, the point is made that across the world, central governments are responsible for fiscal transfers and legislation that regulate local government. These two functions are important in influencing the requisite capacities of municipalities that would enable them to deliver services as expected. Any considered assessment of performance of local government and interventions in municipalities on the basis of their identified weaknesses must therefore take these two elementary functions of central government into account.

This chapter will reveal that the single most important factor affecting the policy performance and policy outcomes of local government is the coordination dexterity of government spheres, particularly at municipal level. The integration of various policy actors is therefore important in determining the outcome of the intervention in municipalities. Importantly, the chapter also argues that the interdependence and interrelatedness of the three spheres of government invariably and inexorably lead to a direct relationship between claims of a developmental state and developmental local government.

2.2. South Africa today

There seems to be a convergence of ideas that the South African economy is characterised by key negative trends of poverty, unemployment and inequality (Mohamed, 2011). There is a generally expressed view that South Africa is among the most unequal societies in the world

in terms of Gini Coefficient although consensus is lacking about the exact degree. According to Statistics South Africa (Stats SA: 2013), unemployment remained at 25.2% during the first quarter of 2013. In 2012, Stats SA published a report of the Living Conditions Survey (LCS) conducted between September 2008 and August 2009 which coincided with the global economic recession. The LCS 2008/2009 became the first to measure poverty in South Africa and is believed to be contributing to a "better understanding of poverty in South Africa to provide data for monitoring levels of poverty over time" (Stats SA, 2012). This suggests that the data as presented on Table 2.1 below has important implications for government in the context of the recently adopted National Development Plan (NDP).

Table 2.1 Key poverty indicators using various national and international poverty lines

Poverty line	Poverty headcount (P_0)	Poverty gap (P_1)	Severity of poverty (P_2)
Food poverty line (R305) per capita per month	26.3	8.5	3.8
Lower-bound poverty line (R416) per capita per month	38.9	15.0	7.5
Upper-bound poverty line (R577) per capita per month	52.3	23.6	13.3
$1.25 (PPP) per capita per day	10.7	2.8	1.1
$ 2.50 (PPP) per capita per day	36.4	13.5	6.7

Source: Stats SA (2012)

The successive celebrated state of the art legislative interventions have not succeeded in delivering a dream of a better life for all for some sections of the South African society. As Table 2.1 above demonstrates, there are still large numbers of people in poverty[7]. This is not to suggest that progress has not been registered in various facets of people development. Significant progress has indeed been made to improve the quality of life of citizens as demonstrated on Table 2.2 below representing types of dwellings in the municipalities falling under the region of Lejweleputswa over a period of ten years, from 2001 to 2011.

[7] In simple terms, headcount measure (P_0) refers to the number or a percentage of people who fall below a poverty line. Poverty gap measure (P_1) estimates the extent to which people fall below the poverty line while the squared poverty gap measure (P_2) indicates differences among the people who fall below the poverty line.

Table 2.2: Types of dwellings by municipalities in the Lejweleputswa Region from 2001- 2011

Municipality	% Census 2001					% Census 2011				
	Formal dwelling	Traditional dwelling	Informal dwelling	Other	Total	Formal dwelling	Traditional dwelling	Informal dwelling	Other	Total
464 FS181: Masilonyana	66.98	4.24	28.36	0.42	100.00	82.88	0.45	15.90	0.77	100.00
465 FS182: Tokologo	77.72	4.14	17.82	0.32	100.00	83.84	0.49	14.83	0.83	100.00
466 FS183: Tswelopele	71.25	5.06	23.59	0.10	100.00	80.40	0.44	18.71	0.45	100.00
467 FS184: Matjhabeng	56.86	2.18	40.58	0.38	100.00	78.48	0.38	19.73	1.42	100.00
468 FS185: Nala	59.32	2.94	37.57	0.17	100.00	77.59	0.41	21.44	0.56	100.00
418 DC18: Lejweleputswa	60.11	2.77	36.79	0.33	100.00	79.17	0.40	19.26	1.16	100.00

Source: Statistics South Africa Census 2001 and 2011

South Africa recently adopted the NDP. The NDP tells the story of a collective voyage the citizens of the country have traversed since the dawn of democracy in 1994. This story is a continuum of great achievements and stubborn fault-lines. It is also a story about our desired collective future we want to live in by 2030. It is a call into action to major stakeholders – government, business, labour, civil society – to exercise leadership in unleashing individual and collective capabilities in order to secure the future the next generations will be proud of.

The NDP is a product of the National Planning Commission (NPC) 2011, which is largely informed by the NPC's Diagnostic Report. While it is usually difficult to "explain the gap between intention and performance" (Turok, 2008:256), the report attributes the slow pace of delivery and development to "a failure to implement policies and absence of broad partnerships as the main reasons" (The Presidency, 2012). The gap between the adoption and the implementation of policies seems to be the African malaise as South Africa is not alone in this. The leadership of the continent has attributed the mismatch to the failure of the continent to develop "the critical number of change agents" (Gutto, 2011:2). This is in contrast to trends in developed countries, wherein the inability of government to deliver goods and services is attributed to "society's level of economic development" (Anderson, 1997:56).

The report (Presidency, 2011:06) further lists the following primary challenges that have serious impact on local government:

- too few people work;
- the quality of school education for black people is poor;
- infrastructure is poorly located, inadequate and under-maintained;
- spatial divides hobble development;
- the economy is unsustainably resource intensive;
- the public health system cannot meet demand or sustain quality;
- public services are uneven and often of poor quality
- corruption levels are high;
- South Africa remains a divided society

How do these challenges affect local government? Picking up just only two in brief, municipalities are expected to raise their own revenue in order to be financially viable and have capacity to fund their own development. High unemployment diminishes the tax base of municipalities. By March 2013, municipalities in South Africa were reportedly owed a joint whopping R81 billion (Whittles, 2013). Government departments have also contributed significantly to the escalating municipal debts. According to the FS Cogta MEC presentation prepared for the Special IGR meeting on 18 September 2012, the Free State provincial government owed its municipalities an amount of R295 million by the end of 2012 financial year of municipalities, down from R436 million in August 2011. This results in municipalities being unable to honour their credit obligations, with ESKOM owed at least R1 billion by municipalities by March 2013.

Poor education of the majority of the population affects the quality of planning since citizens are expected to influence the content of local development. Local development planning is increasingly proving to be a highly technical exercise that requires more than just shouting needs. Prioritisation of needs against the available financial and administrative capacity of a municipality is, arguably, a thought process that requires some level of mental sophistication. Maathai (2009:44) laments how lack of education undermines public participation and accountability. Some thinkers argue that public participation and accountability are the key hallmarks of good governance (Masango: 2007). It is only when the country succeeds in raising its education levels markedly that the citizenry will be able to hold government accountable for they would be in a better position to understand the governance complexities. It is possible that the increasing institutionalisation of service delivery protests could be an

indicator of community struggles to explore other desperate options of holding the elected officials answerable for their actions and inactions.

Learning is an essential component of public policy - as we shall later discuss – (Howlett, Ramesh & Perl: 2009) and the NDP confirms this view. In a deliberate attempt to avoid the caution of the ANC Reconstruction and Development Programme (RDP) that "no political democracy can flourish if the mass of our people remain in poverty, without land, without tangible prospects for a better life" (1994:12), the NDP proposes concrete steps in tackling the inefficiencies of the last nineteen years of governance. According to the plan, three priorities relevant for further discussion on the role of local government are as follows:

- raising employment through faster economic growth;
- improving the quality of education, skills development and innovation;
- building the capability of the state to play a developmental, transformative role.

It is perhaps imperative to indicate at this stage that while all priorities are critical, the elaboration, for the purpose of this report, will largely focus on the third priority of building the capability of the state to play its developmental role. The significance of this emphasis derives from the fact that the research topic appreciates the interdependence and interrelatedness of the three spheres of government. Essentially, the success or lack thereof of the integrated planning nature of municipalities hinges on the effectiveness and density of the networks municipalities forge with other policy actors.

Besdziek & Holtzhausen (2011:124) state that the attainment of the national development goal is "heavily dependent upon the degree to which the machinery of government can operate in a state of inter-institutional harmony". However, emphasis on the third pillar does not mean it is achievable as a stand-alone. It is impossible to build a capable state without improving the quality of education to ensure it produces required skills. To address challenges of education and other development needs, the economy needs to grow at acceptable levels in order to facilitate an equitable redistribution of resources.

2.3. The role of government in development

The notion of government is used with reference to central government. However, South Africa prefers the concept of a 'national' sphere of government. It is important to make this distinction for the notion of local government will be used interchangeably with municipalities, denoting the entirety of the sphere of government closest to the people.

Governments are primarily responsible for making public policy (Howlett, Ramesh & Perl, 2009:2). Through public policy, governments have the potential to "dramatically improve people's lives and to achieve multiple, economic and political objectives" (Morse & Struyk, 2006:3). Public policy is defined differently by many thinkers. De Coning (2006:3) defines it as a statement of intent. Some define it as "what governments do and neglect to do" (Klein & Marmor, 2006:892). The government therefore uses public policy primarily to meet the needs of its citizens (Coetzee, 2010:84).

Public policy involves at least five commonly accepted phases or stages (Dunn: 1994; Howlett, Ramesh & Perl, 2009). These are agenda setting, policy formulation, policy adoption or decision making, policy implementation and policy assessment or evaluation. One chooses the definition by Klein and Marmor (2006) as the working definition of the study for it transcends the mere plan as suggested by De Coning (2006) to the actual practice. The five different stages of a public policy mean that a public policy is incomplete without an action plan to pursue the stated goals. Learning will only take place when policy actors have implemented action to realise their intentions.

While the chosen working definition appears simplistic, it helps in a sense that it recognises the primacy of politics in public policy. A decision not to do anything, say on matters concerning local government, is as much a policy (Howlett & Ramesh, 1995:4) as a decision to intervene decisively to strengthen the local sphere. The government can choose indecision over decision if that choice helps their concern of staying in office. Governments all over the world have what Klein & Marmor (2006) term "the double imperative", which is about gaining access to and maintenance of public office.

Governments play an important role in raising taxes through regulatory framework it imposes on individual citizens and businesses. The revenue raised will then be distributed nationally to pursue the broad goals of social, economic and political development. The primary goal is to facilitate the attainment of effective and efficient service delivery. The South African government uses the annual legislation, Division of Revenue Act (DORA) "to provide for the equitable share of revenue raised nationally among the national, provincial and local spheres of government" each financial year with a view to funding "the responsibilities of all three spheres pursuant to such division" (Division of Revenue Bill, 2013).

In addition to fiscal transfers, the national government is also responsible for the formulation of legislation governing municipalities. This role is important as it ensures that municipalities

"determine and implement those policies that do not infringe those outside its area" (Chandller, 2010:5). It does this to protect the national integrity of the Republic, while it has also developed the Integrated Development Planning (IDP) system to empower local councils to develop varied but appropriate development plans for their respective constituencies. Frodin (2011: 185) equates the IDP system to the British joined-up government model, "in which the responsibility for planning is devolved to the local level, while the powers over overall policy design and financial control are concentrated at the national level".

2.4. Government as an institution and agent of development

There is now a growing acceptance that institutions play an important role in growth and development (Leftwich, 2007:6; Kumssa & Mbeche: 2004). Wiesner (2011:23) concludes that "developmental effectiveness" is the ultimate goal of countries and multilateral institutions. For Wiesner (2011:23), "The emerging paradigm in social and economic development is that institutions are the main determinants of long-term country prosperity". There is therefore justification to attempt to understand the role and influence of the national government on its responsibilities over local government.

Government is itself an important institution of society (Kumssa & Mbeche, 2004:841). This means that the government is at the "heart of governance and development" (Olowu, 2002:54). The development cannot be realised outside the resolution of identified problems obtaining in society. Yet still, the realisation of a new development objective may give rise to a new problem. For example, the allocation of land for a housing programme by the municipality may lead to the youth not having space for recreational activities. This means that the essence of government existence is invariably about problem-solving. Rose & Miller (2010:279) aptly summed up the role of government when they state:

> Government is a problematising activity: it poses the obligations of rulers in terms of the problems they seek to address. The ideals of government are intrinsically linked to the problems around which it circulates, the failings it seeks to rectify, the ills it seeks to cure. Indeed, the history of government might well be written as a history of problematisations, in which politicians, intellectuals, philosophers, medics, military men, feminists and philanthropists have measured the real against the ideal and found it wanting.

The role of government as an institution thus deserves some scrutiny. According to Leftwich (2007:10), institutions are never neutral. They represent and express the interest, ideas and

power of those who design and supervise them. For example, democratic spaces may be created not for the genuine interest of broadening public participation. They could be created to legitimise the decisions of the powerful grouping that have been effectively taken elsewhere, thus reducing the process to symbolism.

Heller (2011:158-166) argues that local spaces in which citizens can practise democracy in South Africa have waned. It is argued by some that public participation in South Africa is parternalistic, stage-managed, symbolic and top-down (Kondlo, 2011; Wenzel, 2007). Wenzel laments that while, in theory, the ANC leadership has professed a responsive, accountable and transparent state, the participation in practice "is narrowed to consultation or simply information dissemination and propaganda" (2007:50).

The duplicity of government towards public participation has not been the only charge against it. Ineptitude has also been levelled against the national and provincial spheres of government thus indicting claims of a developmental state. As commented earlier, it is widely reported that African states, South Africa included, suffer from the insufficiency of human capital. The requisite human and institutional capacity to support laudable development endeavours has proven to be grossly inadequate (Ogiogio & Ongile, 2002:85).

The question of capacity building in Africa is elementary as it is in the context of South African local government. Different contributors, such as Ogiogio & Ongile and Moharir in a book edited by Olowu and Sako in 2002, raise the theme of capacity and its building throughout the book. In 2011, nine years later, capacity deficiency in African countries against their stated ambitious goals continues to be a major concern as argued by Gutto (2011) earlier. The constancy of this challenge raises some crucial questions: are African countries, South Africa included, doing enough to build capacity in pursuance of their development objectives? How effective are their efforts of capacity building?

Mbeki (2011:13) attributes the scourge of violent social protest in South Africa to incompetence and corruption. Mc Lennan (2007) and Wenzel (2007) agree that mechanistic and market forms of public management have proven inappropriate to adequately address reconstruction and development because of lack of bureaucratic capability. Bureaucratic capability is important as South Africa claims to have some elements of a developmental state. The capabilities at national level are also critical as they have a direct bearing on local government performance through functions of monitoring, support and interventions.

The discussion thus far has focused on the role and acknowledged characteristics of government on elements of democracy and efficiency. These are broadly two government goals the world over (Peters, 2011:7; Pierre, 2009:19). These two broad goals are also reflected in Section 152 of the RSA Constitution, which spells out the objectives of the developmental local government. The big question is: has the national government, as mandated by the Constitution, supported local government enough to ensure the delivery of a democratic dividend to the majority of South Africans?

Put differently, has government, as an important institution for development, "enabled" or "constrained" access to services (Williams: 2006)? Could it be said that this important institution has performed well, through broader policy framework, in positioning the local government as an "important arena of social transformation" and "key instrument" (Benit-Gbaffou & Lama-Rewal, 2011:183) in building a more integrated society and addressing inequalities inherited from the past? Understandably, there is no single country that can "fully deploy the people dividend of the end of apartheid" (Godsell, 2012:3) in merely eighteen years. Ramphele (2008:44) observes that both the United States and Europe still have "unfinished business" despite having achieved and consolidated their democracies over two hundred years ago.

2.5. A brief history of local government in South Africa

The current reconfiguration of local government in South Africa and the concomitant developmental mandate must be understood in the context of its evolution. This evolution will be useful in any considered assessment of the impact of local government to see if it delivers a meaningful democratic dividend to the majority of the citizens of the country. The starting point is therefore to appreciate that local government sphere has undergone a number of changes and reforms.

2.5.1. Inherited challenges

The history of South Africa can be summed up as a narrative of contact between whites and blacks. It started in 1498 with Vasco da Gama setting his foot at the Cape. This incident marked the beginnings of the European Renaissance, the founding moment of the Capitalist modernity and wanton destruction of Africa as a continent (Wa Thiongo: 2003). According to the ANC Strategy and Tactics document (2007:3), the settlement of the Europeans "interrupted internally-driven advancement of human indigenous South African communities

along the ladder of human development". Many indigenous people were subjugated, resulting in the systematic and violent dispossession of their assets, including land and cattle.

African people were mostly defeated in the resistance wars they waged, with rare exceptions such as Yimpi yaseSandlwane in South Africa and the War of Adwa in Ethiopia. They were displaced all over the country. The discovery of gold and diamonds in Johannesburg and Kimberly respectively was an important factor that informed industrialisation and also influenced black migration and settlement patterns that continue to be a prominent feature of South Africa in the present day. The ascendancy of the Afrikaner Nationalist Party in 1948 continued and formalised the exclusion of blacks from development with the passage of the Group Areas Act five years later in 1953. According to the WPLG (Department of Provincial and Local Government, 1998) the Group Areas Act was "the key piece of apartheid legislation which ensured that the affluent white municipalities would not bear the financial burden of servicing the disadvantaged black townships".

In 1994, the newly formed government inherited the acutely skewed spatial features of white affluence and black penury. It was an outcome of a number of decades of a deliberate design to ensure perpetuity of black poverty and underdevelopment coexisting with white prosperity enjoyed by the few in society. All municipalities in the immediate post-apartheid South Africa had to confront this legacy of the past (Pycroft, 2000:146). Turok (2008:11) accurately describes this legacy as "immense poverty and deprivation for the majority of its people" owing to apartheid rapaciousness. This means that the conditions of the poor majority the day after the inaugural elections in 1994 were as much the same as the day before the elections.

Commenting on the legacy that the new democratic developmental local government inherited in South Africa, Heller (2001:143) noted that:

> "...the staggering inequities of apartheid and its perverse and disarticulated economic and social geographies, the result of decades of determined and brutal racial engineering, has presented the ANC with what might arguably be the greatest transformative challenge ever faced by a democratic government. State apparatuses that were singularly dedicated to enforcing racial segregation through control, surveillance, repression, and "orderly" development are now tasked with social transformation and economic redistribution through consultation and inclusion".

2.5.2. Local government transition

The present-day South Africa is a product of a negotiated settlement involving multiple stakeholders. The ANC and the National Party (NP) were the main protagonists of the process. The other parties also played an important but relatively marginal role. All these parties came together under the auspices of the Convention for a Democratic South Africa (CODESA) to manoeuvre the minefield of a highly politically charged and volatile environment to negotiate the common future of and for the people of South Africa. Once a settlement was reached on the national constitutional framework, there was little time to focus on the final framework for the new form of local government (Pycroft, 2000:145).

The negotiators established the Local Government Negotiating Forum (LGNF) in September 2002 (Pycroft, 2000:145) as part of the multi-party process to negotiate the future of local government. The LGNF produced the Local Government Transition Act (LGTA) in 1993 which sketched a process for change. The three phases mapped out by the Act were as follows:

- The pre-interim phase: prescribed the establishment of local forums to negotiate the appointment of temporary councils, which would govern until municipal elections;
- The interim phase: beginning with municipal elections and lasting until a new local government system has been designed and legislated upon;
- The final stage: establishment of a new local government system.

The LGTA was not meant to be permanent. It was an interim arrangement that sought to democratise, deracialise and rationalise local government (Pycroft, 2000: 145) resulting in the creation of the initial 686 local authorities throughout the country in 1995 (Pycroft, 1996:233). The reform programme on local government was undertaken out of appreciation that local government would be relied upon as an integral part of the RDP. The primary focus of the RDP was poverty alleviation which, should be addressed through provision of basic services, creation of a vibrant economy, maintenance of the democratic order and by ensuring an "acceptable quality of life of all South Africans" (Kumar, Moodley & Reddy, 2003:3).

The three-phased legislative transformation of municipal governance in South Africa was completed in November 2000 with the elections that were held to elect new councils (Pycroft, 2000:145; Solomon, 2002:255). By then, municipalities have been created for the whole of the Republic, creating a "wall-to-all local" government (Zybrands, 2011:134). Each municipality comprises of wards with an elected councillor and the ward committee. The

ward committee system was designed to enhance public participation for provision of "local solutions to local problems" (Pycroft, 2000:151).

Are these reforms a panacea to fulfilling the people's expectations of their democratic government? Government is aware that democratization and deracialisation will not, in themselves, suffice to achieve the development aspirations and thus meet the expectations of voters (Pycroft, 2000:145). Numerous review reports authored by the government since the democratic era confirm this view. Olowu (2002:53) remarks that while governance changes from autocracy to democracy often lead to institutional reforms, research in many countries has shown that democratisation does not necessarily lead to improved policy processes or outcomes.

2.5.3. The birth of a developmental local government in South Africa

The successful completion of the transformation project of the local government sphere in 2000 positioned it as developmental. Ramphele (2008:13) likens transformation to a metamorphosis, which denotes complete change in both form and substance, like it happens in the life cycles of insects. The transformation that the local government system underwent since the transfer of political power in 1994 saw the fundamental changes in the structures, institutional arrangements, policies, modes of operation and relationships between different public policy actors.

The developmental mandate of local government is derived from the Constitution of the RSA. Section 152 spells out the five objectives whose realisation by municipalities will have facilitated the delivery of a dream of a better life for all. At least two objectives speak to the element of public participation, an important component of the new public administration promoted as "a cure-all measure" (Frodin, 2011:183) against a range of governance shortcomings. Arguably, the remaining three address an important and second twinned government goal of efficiency.

The Constitution broadly defines the mandate of local government through these five objectives. The 'vagueness' of the concept of developmentalism can lead to different conclusions being drawn. The WPLG (Department of Provincial and Local Government, 1998) intervenes through its specific definition of a developmental local government. It defines developmental local government as "local government committed to working with

citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives".

For Heller (2011:183), the concept of the DLG is too ambiguous. It implies that local government is responsible for other functions other than service delivery. He charges that the concept suggests that the local sphere is responsible for fostering the creation of sustainable settlements and communities, local economic development and community participation. However, he fails to provide an alternative definition. His criticism also presumes that municipalities should not be tasked with an important area of local economic development. Inevitably, municipalities must play a crucial role that enhances and facilitates the prospects of growth and expansion of local economy.

One also finds the definition contained in the WPLG flawed in its conspicuous exclusion of other spheres of government. It assumes that getting public participation right is a panacea to solving the numerous, sometimes insurmountable odds confronting municipalities. It fails to recognise the important provision of the Constitution which states that "the national and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions" (1996:85).

Cogta conducted a national assessment of municipalities in 2009 to determine their functionality. One of the factors found to be contributing to the distress of the local government was poor oversight over and support to municipalities by other spheres of government, mainly the provincial government. The finding confirmed the observation made as early as 2000 by Pycroft (2000:157) that the creation of a viable developmental local government as advocated by the WPLG would "require exceptional resolve and leadership from national, provincial and local politicians".

This means that there is a need for a review of a definition of a developmental local government. The new improved definition must incorporate the missing but important notion of cooperative governance to underscore the indispensability of the effectiveness and efficiency of oversight and support of other spheres of government to municipalities. Research has shown that much of the problems and challenges confronting local government arise from the deficiencies of the IGR system (Coetzee: 2010; du Plessis & Thomas: 2007; Frodin, 2011:192-195). Tapscott (2000:119) contends quite correctly that legislation

promoting the cooperative governance between the three spheres will not on its own "promote intergovernmental cooperation and coordination".

2.6. Intergovernmental relations in South Africa

The RSA constitution establishes a system of cooperative governance. It has dedicated a full chapter on cooperative governance that embellishes the core principles of cooperation. Among others, the Constitution (1996:25-26) enjoins the three spheres of government to cooperate with one another in mutual trust and good faith, inter alia by,

- fostering friendly relations;
- assisting and supporting one another;
- informing one another of, and consulting one another on, matters of common interest;
- coordinating their actions and legislation with one another.

The Constitution further mandates the national government to develop a national legislation that provides for structures and institutions that promote and facilitate intergovernmental relations. To this end, the National Assembly passed the Intergovernmental Relations Framework Act, No 13 of 2005 "to establish a framework for national government, provincial governments and local governments to promote and facilitate intergovernmental relations; to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes" (2005:3).

The municipalities are therefore tasked with a daunting task of development within this system of interdependence and interrelatedness of the different spheres of government. According to York & Reddy (2003:43), interdependence means the degree to which each sphere depends on the other to carry out its constitutional mandate. It is a common cause that the system of decentralisation in many countries did not necessarily remove the responsibility of an authoritative distribution of resources from central governments.

Local governments remain primarily dependent on national governments for legislation and fiscal transfers. Consequently, the functionality of the IGR structures become a relevant point of reference in search of explanations for the policy performance outcomes since research has indicated that policy outcomes are directly linked to the characteristics of policymaking structures or network integration or density (Sandstrom & Carlsson: 2008).

The history of the functionality and effectiveness of cooperative governance in South Africa remains a matter of public and scholarly interest. The ruling party seems to be confident that it has done extremely well in consolidating the political democracy since the dawn of freedom in 1994. It is supported by Venter (2011:9) who argues that "the ANC has to get credit for managing such a fundamental reorientation of the South African political landscape".

Essentially, though contentious, the ANC succeeded in "subsuming politics under policy, rather than the opposite as assumed in the politics-policy model" (Bang & Esmark, 2009:17) under the previous apartheid regime. However, not even the celebrated state of the art legislation has managed to achieve the desired effectiveness of cooperative governance in order to unleash the potential of municipalities as agents of local development and redistributive prosperity.

The government itself has not been shy to accede to the weaknesses of the system. The draft NDP published for comments in November 2011 identified the following factors that require urgent attention if the country is to realise its 2030 vision and move intergovernmental relations onto a more constructive plain (Presidency, 2011:398):

- improve clarity in a differentiated system;
- regionalisation as a response to capacity constraints;
- a more coherent set of powers for metropolitan municipalities;
- a more focused role of provinces; and
- a proactive approach in identifying and solving problems.

The findings of the NPC were not the first to indict the IGR system. In 2009, the Cogta study found that the expected oversight from the national and provincial governments over local government has been weak and poor. The report concluded that the offices of the Premier and departments responsible for local government are "under-resourced, poorly structured and capacitated, and often lacking a core focus on their oversight and governance mandates" (Cogta, 2009: 19).

To borrow from Stone (2008) the local government is a strategic "agora" of development consistent with the aspirations of a country being developmental. Stone uses the concept contextually to refer to a global public space that becomes the magnet for "social, economic and political interaction" (Stone, 2008:21). Importantly, she adds that agora is comprised of

"fluid, dynamic, and intermeshed relations of politics, markets, culture and society" (Stone, 2008:21). This space is shaped by interactions of its actors. These actors assume different characters. Some are visible, persuasive or powerful while others may represent the contrast. Significantly, as is the case in the official definition of a developmental local government, there are multiple publics and plural institutions in the agora.

The inherent multiplicity of publics and plurality of institutions, including two other spheres of government, raise questions about coordination. Bevir (2009:13) states that the improvement of coordination is the main thrust of the second wave of public sector reforms. Some commentators have suggested that poor coordination between the different spheres of government is part of the problems confronting state capacity (Ramphele, 2008: 166). This means that all institutions of development, including local government, must tackle coordination weaknesses as providing solutions to coordination problems is principally one of the crucial role of institutions and it is observed that the coordination problems have been an enduring challenge for the public sector (Peters, 2011:8; Williams, 2006: 212).

2.7. Coordination challenges

The coordination of different policy actors at municipal level is done both horizontally and vertically. The municipality takes lead in involving the sector departments that provide services that fall outside its mandate in line with the powers and functions of different spheres of government. The Municipal Systems Act (MSA) requires that municipalities develop IDPs as a guide to local development. The IDP is defined as "a strategic plan for the development of the municipality aimed at integrating and aligning local, provincial and national development strategies to avoid fragmented, project-based planning at the local level" (Frodin, 2011:185). The IDP is thus the primary instrument around which all strategic and operational activities revolve.

The MSA further imposes on municipalities to involve communities on the identification of development needs, priorities and budgeting. This imperative is seen as taking further the objective of local government providing democratic and accountable local governance. The South African local government is meant to complement and reinforce representative democracy with participatory democracy. This understanding thus burdens the municipality with endless engagements with communities throughout the entire policy process, starting with agenda setting to evaluation. It means that regular democratic local government

elections every five years are an "insufficient democratising mechanism for developmental local government" (Pycroft, 2000: 150). According to Friedman, (2010:174) democracy denotes a system in which discussion period never ends.

2.7.1. Vertical coordination

Coordination between and among different spheres of government is fraught with problems. There seems to be convergence among scholars that the provincial sphere of government remains a resilient fault line to achieving integrated planning (Coetzee: 2010; Frodin, 2011, 194; Pyscroft, 2000: 149; Tapscott, 2000:119). Coetzee (2010:92-93) attributes this to two main factors which are lack of skills and what she conceives to be "the incorrect power-sharing between the spheres of government". Pycroft (2000:149) finds the incompatibility of the financial years between the municipalities and the two other spheres of government to be a hindrance that fails proper alignment of IDPs with national and provincial plans. He further identifies lack of understanding of municipal planning processes by provincial officials and reluctance by provincial government to concede the autonomy of their development plans to municipalities as undermining the prospect of credible and meaningful IDPs.

In a case study done on the Chris Hani District Municipality and Lukhanji Local Municipality in the Eastern Cape, Frodin (2011) found that "there is generally little incentive for provincial departments to participate in municipal IDP processes" (2011:194). Key officials in departments choose either not to attend planning meetings or delegate disempowered junior officials purely for malicious compliance. This practice effectively undermines the potential of IDPs as key instruments of long term local development. Commenting on the similarity of local planning and regional development policies between South Africa and the United Kingdom, Frodin (2011:194) concludes that another challenge facing municipalities in South Africa is a lack of genuine interest by stakeholders to match the developmental obligation of localities.

The observation that provinces are the weakest link in the chain of cooperative governance raises concern over the worth of Section 139 of the Constitution. This section empowers the MEC responsible for local government in a province to intervene in a municipality by either issuing a directive or by assuming responsibility for relevant executive obligation if a municipality is seen not to be fulfilling that obligation as mandated by legislation. The establishment of municipalities, in terms of the Municipal Structures Act (MStruc), rests with the provinces since they are responsible for "promoting the capacity of local governments to

perform their functions and to manage their own affairs" (Tapscott, 2000:123). This includes regular reviews of capacity and tax base of each municipality and assign to each municipality the powers and functions that it has capacity and income to fulfil.

To date, a significant number of problems municipalities face, especially those concerning finances, are arguably structural. They are a result of failure by provinces to establish municipalities on the principle of financial viability. Some councils are just established to fulfil the requirement of a wall-to-wall single local government system, without a deliberate attempt to consider a capacity to generate own income as a requirement of the IDP and budget input.

Secondly, it is only recently, following the national assessment of local government in 2009, that the national government is considering a differentiated approach to solving problems of municipalities. Commentators cautioned as early as 1996 (Pycroft) and 2000 (Tapscott), with the completion of the transition of local government reforms, that there cannot be a national solution to municipalities that are characterised my marked different spatial characteristics.

2.7.2. Horizontal coordination

Public participation in IDP processes has not been devoid of shortcomings either. It is important to acknowledge that public participation and accountability are hallmarks of good and effective governance (Coetzee: 2010; Masango: 2007; Nkuna: 2011; Tshishonga & Mafema: 2010). According to the WPLG, democratising development is one of the characteristics of a developmental local government. This requires municipalities to create "invited spaces" (Piper, 2011) to draw local communities into a process of "consultation, deliberation and sometimes joint decision-making on key local issues" (Piper, 2011:32). Nkuna (2011:634) argues that the role of municipalities include being policymakers, thinkers, innovators as well as acting as institutions of local democracy.

Questions remain if the introduction of legislation enforcing public participation has led to improved efforts to better coordinate and integrate the citizens into the invited spaces. In 2009, Cogta reported that poor communication and accountability with communities as well as a number of violent service delivery protests pointed to a lack of responsiveness of various intervention programmes. This is not surprising. Some commentators argue that a shift to "output democracy" (Peters: 2010) has led to the tension between delivery and democracy, thus creating a trust deficit between the elected officials and the voters (Dwivedi, 2002:41;

Pierre: 2009) owing to the belief that "private sector methods for managing activities are generally superior" (Wenzel, 2007:50).

The introduction of the IDP was meant to facilitate a bottom-up planning. Ruefully, this has not been the case. The era of developmental local government saw the proliferation of consultant companies that many municipalities trusted with the responsibility of drafting local development plans. Gumede (2011:179) states that "many observers argue that these are done by consultants, and that local governments impose IDPs on their jurisdictions without thorough discussions with those affected". This leads to non-responsive local development plans as citizens never co-produced and co-authored them. The proliferation of private actors in the public sector did not only compromise the rightful participation of citizens. Bevir (2011:10) observes that the pursuit of expertise in an attempt to deliver more efficient and responsive public services also poses questions about transparency, legitimacy and accountability.

The political leadership of many municipalities claim that they consult with their communities in developing the IDPs and drafting budgets as mandated by legislation. However, the rise of the seemingly unstoppable violent service delivery protests negates these claims. Kondlo (2011) questions the integrity of the invited democratic spaces, arguing that they are only "symbolic" since the citizens do not participate in the "co-origination and co-authorship" of these policies.

According to Kondlo (2011) and Mathekga & Buccus (undated), technical capacity is not a panacea for achieving a functional local government. The problem of finding a balance between the desiderata of efficiency and participation has been troublesome for some time in South Africa, according to Heller (2007:154). The challenge is to find their mutual co-existence. The decision to rely on consultants by many municipalities requires some review given its many policy shortcomings on outcomes. Perhaps the leadership of the local government needs to be reminded of the following comment by Etzioni, quoted in Moharir (2002:110):

> From the perspective of policy sciences, the quality of decision is assessed not on the degree to which it conforms to or uses theory or specific methodologies, but on the degree to which it actually helps citizens or meets specific goals.

By embracing this correct observation, a missing democratic dividend will certainly be delivered to the majority of the population. At present, the evident gap existing between the

elected local leaders and their communities as a result of over-reliance on managerialism undermines the observation made by Mandela (1995:233) that "a nation should not be judged by how it treats its highest citizens, but its lowest". The challenge of democratising development should start with the appreciation of the indispensability of ordinary citizens in the participation of their own development.

2.8. The relationship between a developmental state and a developmental local government

A reference to the emphasis of cooperative governance between the three spheres of government of the RSA derived from the Constitution has been made throughout much of the chapter. This emphasis is inescapable for the research question that the study seeks to answer is inherently dependent on the interrelatedness and interdependence of the three spheres. There is therefore implication on coordination as a function of a constellation of multiple policy actors involved in the application of Section 139 of the Constitution.

The interdependence and interrelatedness do therefore impact on the development aspirations of each sphere. That South Africa has made claims of a developmental state is known and accepted. The debate has raged and continues to ensue regarding the position of South Africa and its relationship to a developmental state (Gumede, 2011:179-181). While the debate may not be concluded, it is important to examine the relationship between a developmental state and a developmental local government in South Africa.

2.8.1. Defining development

It is arguably accepted as a fact of life that the primary business of government(s) is the facilitation of development with a view to improving the living conditions of citizens. Without a deliberate pursuit of development through a rational choice of a public policy, there would not be a basis for existence of government. The popularity of the concept in the public policy literature owes its origin from the very foundational philosophy of government. But what is development? Is it understood commonly in the policy studies literature? Is there a relationship between development and developmental? If any, what is the significance?

The South African policy thinking is largely that of the ruling ANC. It is therefore crucial to incorporate the ANC's thinking on and understanding of development, while simultaneously assessing that against the definitions of others. The RDP remains the critical reference point in understanding the development philosophy of the ANC, despite it being dropped in 1996

in favour of Growth, Employment and Redistribution Strategy (GEAR). The intention of the RDP was to alleviate poverty, address the inequalities and accelerate economic growth through the interventionist state in the economy (Pycroft, 2000:143).

The settlement on the acceptable definition of development within the ANC was an outcome of a protracted debate as the ANC has always comprised different strands of ideological persuasions (Turok, 2008). According to the ANC, development has to address the three interrelated aspects. Turok (2008:76) lists them as follows:

- changing the social and power relations that existed before 1994 so that there is equal distribution of power among all people, empowering them to have greater democratic control over social, political and economic aspects of their lives;
- improving the material conditions of the majority through greater access to food, clothing, shelter, incomes, health and education for all; all these improvements should locate the people at the centre of processes producing the desired outputs; and
- democracy and improvement in the quality of life must be related to a fundamental restructuring of the economy along a new growth path, to allow for a sustainable process of change and growth in the economy.

The ANC understanding of development was influenced largely by the United Nations (UN) Declaration on the Right to Development (DRTD) passed by the UN General Assembly in December 1986. Quoted in Turok (2008:79), the DRTD defines development as "a comprehensive economic, social, cultural and political process, which aims at the constant improvement of the well being of the entire population and of all individuals on the basis of their active, free and meaningful participation in development and in the fair distribution of benefits resulting therefrom". Viewed from this vantage point, development in a new South Africa would have to lay the ghosts of the past to rest (Ramphele: 2008) and completely transform the society from the divided, segregatory past into a united, democratic future.

The definition above has important implications for the developmental mandate of local government. Consistent with its claimed character as a mass-based liberation movement, the ANC has always sought to ensure that development processes are people-centred and people-driven. It means that the concern transcends the mere preoccupation of improvement of material conditions through the delivery of basic services. What does it therefore seek to achieve? Given the history of exclusion in South Africa, the new democratic government had

to deal with the important notion of inclusion. Essentially, democracy and development would be insufficient unless they addressed themselves to "twinned concepts of social inclusion and social exclusion" (Labonte, 2004:115).

The Constitution guarantees the rights of citizenship which include a right to participate in the development of the IDPs at the local level. The state therefore has a moral duty to create a facilitative climate for development and provide the necessary resources within its available means (Turok, 2008:80). This meant that the new South Africa was not meant to be a welfare state as found in Europe. There was an expressed preference for development. Development, according to Maathai (2010:56) should be a "means to achieving a quality of life that is sustainable, and of allowing the expression of the full range of creativity and humanity".

These views are supported by Nkuna (2011:628) in his argument that development must increase the capacity of people to influence their own future. It is against these conceptions of development that one links development to the concept of social inclusion, for it advocates for people-centeredness in shaping their own destiny. The researcher holds a strong view that the placement of citizens at the heart of development is the foundational philosophy of the decentralisation system in South Africa.

2.8.2. Defining Developmental

Developmental is an adjective relating to or constituting development. According to Nkuna (2011:628), it can be understood through its characteristics or a range of activities instead of a once off explanation. Quoted in Nkuna (2011:628), Teune & Mliner (1978) define developmental from a system perspective. According to them, a developmental system must have capacity to generate new properties and integrate them which results in changing the nature of the components and their relationships.

The latter definition is useful in relation to the research topic. It has been adequately stressed in this chapter that municipalities pursue development through working with multiple actors vertically (intergovernmental relations) and horizontally (individual citizens, groups, business). Municipal space is an agora for interaction bringing together visible, powerful, active and other forms of actors. A question can thus be raised if municipalities are able to generate new properties and integrate them so as to change the nature of the components and their relationships.

Nkuna (2011:629) suggests that integration as espoused in local government planning should be the route towards conceptualising South Africa as a developmental state. Put differently, it means that the integration of planning processes involving all the three spheres of government and communities should arguably be the single measure of South Africa's capacity to be developmental. The assumption here is that the functional integration between and among various policy actors will lead to improved state performance and the realisation of development goals.

2.8.3. A developmental state

Most definitions of a developmental state have tended to focus on economic growth (Gumede, 2011: 180, Johnston (1982) in Nkuna, 2011:636). This is despite Mkandawire's (2001) caution that economic success cannot alone be equated to state strength. Mkandawire (2001) argues that focusing narrowly on economic performance leads to a "myopic concentration of analysis around success to the neglect of the 'trial and error' nature of policy-making" (2001:291). Since the 1990s, the trend has shifted towards proving that the quality of government is closely related and connected to economic growth (van Dijk & Croucamp, 2007:667).

A narrow focus on economic performance could lead to an inaccurate appraisal of the broader public policy performance. Simplistically, as an example, it would mean that South Africa is thus not developmental given its recent economic performance in the light of resilient global economic downturn that afflicted the whole world since 2008. Emphasis on economic performance and growth assumes other factors to be constant. Policy formulation and implementation take place in the context of a complex and dynamic interplay of numerous forces.

Luiz (2002:594) offers an expanded definition of a developmental state, describing it as the ability to formulate and implement policy actively. This definition has important implications on the state machinery in South Africa. While the new government has been lauded for its ability to develop state of the art policies, implementation remains largely patchy (Mbeki: 2011; Ramphele: 2008). For Gumede (2011:180), "a developmental state is one that is active in pursuing its developmental agenda, maintains strategic relations with stakeholders, and has the capacity and is appropriately organised for its predetermined developmental objectives" to affect human development.

Implicit in the definition is that weaknesses arising from state relations with other stakeholders (civil society, business) may undermine the claim of developmentalism. Further, that evidence indicates slow performance in relation to human development (Gumede, 2011:180), a key measure of a developmental state, suggests that South Africa may only be on the way to being developmental since failure to meet human development confirms charges of patchy implementation. Gumede (2013:68) also suggests that the appropriateness of the organisation of the South African state (institutional arrangements) "remains a cause for debate". The point about the appropriateness of the organisation of the state seems to support the claim by Coetzee (2010:92-93) that there is an incorrect power-sharing between the different spheres of government. The ANC 53rd National Conference could not conclude the debate on the future of provinces and district municipalities. Instead, the Conference referred the matter to the Presidency of the Republic for a review.

All the three spheres of government are interested in the phenomenon of a developmental state for the local government provides stability for national government (Chandler, 2010: 6). The ability of municipalities to meet development goals stated in Section 152 of the Constitution, which represent the bulk of service delivery (Tshishonga & Mafema, 2010:564), will lead to a drastic reduction of violent service delivery which have increased exponentially since 2009 nationally (Kondlo, 2011:924). This would happen because national boundaries are made up of wall-to-wall ward delimitations that make up the entire sphere of local government. This form of local government, capable of meeting people expectations and needs, through its ability to generate new properties and improve its integration dexterity, will "provide a foundation towards contextualisation of a form of developmental state for South Africa" (Nkuna, 2011:638).

2.8.4. A developmental local government

Nkuna (2011) proposes that the four characteristics of a local government as espoused in the WPLG define its developmental character. These are briefly discussed.

2.8.4.1. Maximising social development and economic growth

This characteristic recognises the important role of municipalities in the local economy. Municipalities act as employers, purchasers of goods and services and providers of social infrastructure (Pycroft, 2000:147-149). Municipalities also own land, which can be used strategically to promote high economic activity and facilitate economic growth. It is a requirement that municipalities must develop their Local Economic Development (LED) Strategies in order to give effect to local economic development, particularly the promotion

and growth of Small, Medium and Micro Enterprises (SMMEs) and Cooperatives as drivers with potential to expand and diversify local economy. In addition, municipalities have an arduous task of creating a conducive environment for investment. Factors that facilitate an enabling environment include, but not limited to, investment in basic infrastructure and social and political stability. Du Plessis & Thomas (2007:19) observe that this goal is often frustrated by the appointment of individuals who do not understand economics as a discipline.

Nkuna (2011:631) cites Van Donk *et al* (2008:225), who define social development to be including aspects such as health, education, demography, basic needs, informal sector activities, poverty, crime, unemployment, culture, relevant civil society organisations, unmonetised subsistence activities and empowerment. All these activities have a bearing on the integration dexterity and coordination capacity and efficiency of municipalities. In terms of the Constitution, functions such as health and education are not the competency of the local government, as opposed to the United States and the United Kingdom. Yet municipalities must facilitate the delivery of these services to their communities in line with integrated development planning, while assuming the responsibility to provide infrastructure such as water, electricity, sanitation, road network and remove refuse from the premises in order to attain a safe and healthy environment. The maximisation of social development and economic growth are nevertheless hampered by high unemployment, poverty and inequality as well as a slow pace of delivery of basic infrastructure and the challenges around its maintenance.

2.8.4.2. Integrating and coordinating

This second characteristic reinforces the two important notions and ethos of the South African Constitution, namely, cooperative governance and public participation. These two are an essence of a new system of governance. Municipalities are expected to initiate development projects and programmes on their own, working together with citizens and groups in their communities. Secondly, they are also required to participate in the development initiatives of the national and provincial governments.

It has been the consistent theme of this chapter that municipalities will be unable to achieve any stated development goal working on their own, without the support of the provincial and national governments. Similarly, Piper (2011:166) cautions that "the opening up of public spaces for public participation in the policy process" calls for municipalities to tackle their

integrating and coordination deficiencies as a big priority. Implied by this characteristic is that municipalities must provide the vision and the leadership for all those who have a role to play in achieving local prosperity (Nkuna, 2011:632).

2.8.4.3. Democratising development

Public participation is a precondition for good governance. In a democracy, good governance is a public good that citizens are entitled to (Hyden & Court, 2002:26). The MSA specifically enjoins municipalities to "develop a culture of municipal governance that complements formal representative government with a system of participatory governance" (Municipal Systems Act, 2000:35). In order to achieve participatory democracy, the government legislated the establishment of ward committees by all municipalities as a mechanism to foster and promote ongoing consultation with communities. These are community public participation structures that must act as buffers between the council and the communities, executing their work without fear or favour.

It does seem that ward committees have not been equal to the task of narrowing the social distance between the council and communities. The government itself has acknowledged the gap between the policy intention and practice, leading to the declaration to refine the model of ward committees (Presidency, 2010). Cited in Plaatjies & Porter (201l:13), Chelimsky stresses that public distrust is a positive element in a democratic society. For Mathekga & Buccus (undated:15), the survival of local government depends on how citizens perceive the system regarding possible participation and ownership of the system. From this angle, it could be argued therefore that public participation in IDP and budgeting processes is the hallmark of a developmental local government.

2.8.4.4. Leading and learning

Reference has already been made to an aspect of leading when discussing the second characteristic of integrating and coordinating. Correctly, Cogta (2009:10) commented that the effective functioning of a municipality begins with its political leadership. This is consistent with debates on a developmental state that the determined elite is crucial in driving development. Municipalities must therefore provide leadership to a network of actors involved in exchange of ideas on how to grow local prosperity. Leadership requires leaders. Mbeki (2011:1) defines a leader as someone who identifies political and/or economic opportunities that can lead to the solution of overwhelming social problems or challenges facing his or her community and successfully persuades others to work with him or her to

implement those solutions. According to Mbeki (2011:2), leadership requires the following three capabilities:

- The capability to innovate;
- The ability to implement by mobilising the required resources; and
- The apability to create followers.

Learning is an important part of any policy process. In order to improve their learning capacity, municipalities must introduce a culture of performance management, which ruefully continues to be lacking despite the MSA imposing a system of performance management as part of compliance requirements. As seen in the previous chapter, one of the reasons for the invocation of Section 139 (1) (b) of the Constitution in the two municipalities was the absence of performance management systems. Municipalities need to continually assess and evaluate their development strategies and techniques, find out what is working or not working. It is only a culture of performance evaluation that can and will help municipalities to know if they are achieving results. The findings of the evaluation constitute key information for learning in order to improve performance.

2.9. Capacities required for a developmental local government

Public policy literature indicates that the state ability to develop and implement policies is a critical element of a developmental state. The ability to implement and deliver sustainable services of high quality is particularly important for the local government since municipalities are a primary motor of human development. However, building a capable local government that is responsive to the needs of citizens does not lie with municipalities alone. It is the task of all the three spheres of government.

Gumede (2013:68) cites the 1997 World Development Report describing state capacity as the ability to undertake collective actions at least costs to society. According to Gumede (2013:68), this definition transcends the administrative capacity of civil servants, incorporating four dimensions of state capacity which are ideational, political, technical and implementation. Cited in Gumede (2013:68), Cummings & Norgaard (2004) define ideational state capacity as the degree to which the state is legitimated and embedded in state institutions. Political state capacity refers to the effectiveness of state institutions in terms of

governance while technical and implementation capacities refer to administrative processes such as recruitment and retention of skills and budgetary management and use.

In the context of local government, capacity will therefore simply be defined as the ability of municipalities to perform their functions (Steiner, 2010:646). This ability is dependent on structural and systems' factors (Pycroft: 2000). In Steiner (2010), Grindle (1996) identifies four types of capacity for national government. These are technical, administrative, institutional and political. These are slightly different from the four dimensions identified by Cummings & Norgaard (2004) in that whereas Grindle distinguishes between technical and administrative capacities, Cummings & Norgaard (2004) subsumes technical and implementation under administrative capacity. Steiner (2010:646) defines these capacities as follows, which when adapted to South African context, will constitute a prerequisite for a functional developmental municipality:

> "...technical capacity is the ability of local governments to set and manage effective policies, which presupposes a cadre of well-trained analysts and policy-makers. Administrative capacity is the ability to provide physical and social infrastructure and to carry out the regular administrative functions like revenue collection and information management. Institutional capacity refers to the ability to set and enforce rules that govern economic and political interactions, which must of course be within the scope of local authority. Political capacity is the ability to respond to societal demands, allow for channels to represent societal interests, and incorporate public participation in local decision-making and conflict resolution".

The ability of municipalities to build these capacities is decisive on their performance and indicative of the degree of functionality of cooperative governance. Sufficient capacities will enable the municipality to be "responsive, accountable, effective and efficient" as is the vision of the Outcome 9 Delivery Agreement signed by the Minister responsible for local government and the RSA President.

Clearly, the municipalities cannot build these capacities acting alone without the proactive support of national and provincial governments. Some of the municipalities have inherited almost invincible spatial challenges, making it exceedingly difficult to raise significant revenue in order to provide own funding. At the same time, persistent weaknesses by municipalities to deliver basic services and strengthen national standards will result in the provincial government, rightly or wrongly, placing them under administration as in the case of the MLM and the NLM.

2.10. Conclusion

The literature argues that the policy of interventions in municipalities has to be understood within the context of the IGR system. Notably, it has ably revealed that provinces, which are charged with function of support, supervision, monitoring and interventions in municipalities, are found to be the weakest link in the system of cooperative governance. Undoubtedly, this revelation has profound implications on the nature and worth of Section 139 interventions since the Constitution empowers the very actor that is found wanting to initiate an intervention.

Social sciences have a challenge of malleability of concepts, which can lead to different understandings and unintentional distortions. The chapter intervened through the definition of a concept of development so that it enhances the understanding of what it is implied by a developmental local government. Importantly, a link has been drawn between a developmental state and a developmental local government.

Developmental local government has to be understood through the four characteristics listed and discussed. Lastly, there is no single municipality that will achieve those attributes unless it has consciously invested in its human capital to build technical, administrative, institutional and political capacities. Not even generous financial support can enable municipalities to deliver quality services sustainably if they are lacking on these crucial capacities, which are prerequisites for any public sector institution.

Chapter Three: Theoretical Framework

Theoretical framework

3.1. Introduction

Network theory is used as the theoretical framework of the study mainly because of two reasons: the RSA Constitution and the adoption of the New Public Management (NPM) governance model by a democratic South African government. The Constitution explicitly commits to the deliberate cooperation of the three spheres of government in pursuance of broad development goals in quest for human dignity. Essentially, this suggests that the IGR system constitutes a policy community within the policy network of local government. The second important element coming out of the Constitution is the principle and practice of public participation. Local government is mandated specifically to reinforce a system of representative democracy at other levels of government with a deliberate system of participatory democracy. This means that people are entitled to participate and shape the plans that are going to affect their own development.

The preference and adoption of the joined-up governance by the government, with GEAR being declared a government policy in 1996 had crucial implications for the system of governance. This model postulates that government cannot on its own succeed in resolving complex, great social and economic problems confronting societies. For Gumede (2013:63), while the South African government retained some traditional managerial elements, it also grew its own approaches, for instance, the cluster system of governance that emphasises state integrated governance.

It could be said that there are generally two types of networks in municipality. They are vertical and horizontal types. The former concerns the relationship of the three spheres of government while the latter is about non-state stakeholders that participate in the formulation and implementation of policy. The chapter argues that the ability of a policy network to coordinate efficiently is the key factor in determining the policy outcome. This means that the policy networks are not inherently capable of problem-solving. There are as much weaknesses as there are strengths.

3.2. A case for the selection of a theory

As a preliminary note, it is pertinent to acknowledge the factors that inform the choice of a theory selected in undertaking this study. Political systems have undergone major changes and transformations over the years. Some decades back, there was an established understanding that the state was the primary actor in public policy, acting almost alone to solve all major endless problems confronting societies. It was assumed that the state had the necessary capacity; a sort of "impartial and omnipotent social guardian" (Chang, 2002:540) that would genuinely represent the interests of the citizens. This was the era of traditional public management, which assumed the self-sufficiency of the state to deliver services on its own.

That thinking on the role of the state received some major theoretical challenges years later, particularly from the neo-liberal economists. Neo-liberal economists saw in the state an organisation of self-seeking, corrupt and incompetent politicians incapable of leading their citizens to collective development (Chang, 2002:540). A call for a minimal state intervention in the economy was made, especially since they convinced themselves that markets developed naturally, although history points to the contrary (Chang, 2002:540). They argued for the notion of a free market, almost entirely independent of the state that was capable of self-correction.

Both the state and market seemed incapable of resolving great social and economic challenges acting disparately and competitively. This reality informed major governance reforms in the 1980s and 1990s, dubbed the NPM. The two main strands of the NPM are marketisation and corporate management (Bevir, 2009:10). It can be said that this wave of reforms, in the South African context, was represented by the adoption of GEAR in 1996 as the strategy of government, mainly characterised by privatisation of some State Owned Enterprises (SOEs). At local government level, the passage of the MSA (2000) provided the "blueprint for the implementation of new public administration" (Pycroft, 2000: 155).

The NPM does not necessarily replace the role of the state, or quite specifically, of politicians. Government still has a role to play, though the task of creating the public value is no longer theirs alone. A variety of actors, institutions and cultures must be accepted to have influence. The role of government is to provide political leadership (Benington, 2009:246), whose absence may result in unending impasses between 'equal' stakeholders. In this arrangement, politicians are not responsible for day-to-day running of public institutions.

That is the task for "autonomous managers" although politicians are still held accountable despite their diminished role in "command and control role" (Pierre, 2009: 2-3).

The South African governance system largely reflects the elements depicted above, both nationally and locally. As stated in the previous chapter, the Constitution imposes cooperative governance on the three distinct but interdependent and interlinked spheres. Pycroft (2000:155) insists that the MSA calls for increased private sector involvement in municipal service delivery. He argues that "privatisation is seen by the government as one in a range of mechanisms aimed at improving the delivery of municipal services". The MSA also calls for public-public partnerships wherein a municipality can share a responsibility with another public institution.

Another important element in the NPM is the notion of public participation or citizen engagement discussed at length in the previous chapter. The involvement of citizens is encouraged because it is seen to be good for democracy through encouragement of civic skills and virtues (Michels & De Graaf, 2008:481). This may then improve the process of public policy and strengthen civil society (Meyer *et al*, 2002:63). So governance in South Africa can be understood to refer to changes in actor constellation and in which steering and coordination are its core elements (Treib *et al*, 2007:3). The notions of steering and coordination suggest the existence of multiple publics as discussed in the previous chapter, referring to local government space analogously as an agora. In the agora, the process of inclusion is neither comprehensive nor equal (Massey, 2009:384) and this reality potentially compounds a coordination task of municipalities.

The two concepts of inclusion and coordination therefore informed the choice of networks as a theory of the study. The literature review has adequately demonstrated that lack of coordination across the spheres of government is a major problem in South Africa. It is hoped that the choice of the theory may also address itself to horizontal coordination of local groups and citizens as collaborative governance has to date proven difficult to reach (Frodin, 2011:193).

Further, it is important to bear in mind the argument already made earlier that failures of municipalities in the delivery of services also reflect weaknesses of oversight and support by provinces. If there were weaknesses of cooperative governance network before placing a municipality under administration, what happens during and after the intervention since the placement of a municipality under administration remains a function of IGR? Administration

is meant to facilitate the joint provision of municipal services by the municipality and the province. A sobering question that must be asked is to find out if the intervention, as a vertical governance network, creates "economies of scale and scope and thus offers possibilities to overcome scale-related production" (Hulst et al, 2009:264). In other words, what difference is placing a municipality under administration do to an ordinary citizen as a receiver of municipal services?

3.3. The network theory

The 'word' network has become quite a catchy concept in the field of public policy. Its fashionableness has also extended to other scientific disciplines such as microbiology, ecology, economics, business administration, etc (Borzel: 1998). It has become a fad word at all levels of governance – locally, nationally and internationally. Given its currency, one would not be blamed for assuming that its proponents think of it as a panacea for persistent governance challenges facing local governments, national governments and multilateral institutions.

Some (Bang & Esmark: 2009) have even described the current society as a predominantly network society owing to the rise and reliance on technology for information sharing across the economic, social and economic domains. Societies can no longer be analysed in linear terms. Societies are now complex and have necessitated acceptance of policy networks as "a fact of life" (Klijn & Koppenjan, 2006:142). A complex system, according to Patton (2010:1), is characterised by a large number of interactions and interdependent elements in which there is no central control.

In this type of society, it is consequential that network governance is a prerequisite for good governance and a fundamental transformation of a political system. This means that the participation of laypeople, regardless their marginalisation by the authorities, will always be significant for the structuring and persistence of the political system (Bang & Esmark, 2009:20). Further, a dense network of effective self-governing organisations operating at local and national levels eases the task of governance at national level (Olowu, 2002:55).

But what is meant by a network? The concept is often used in abstract terms and this leads to confusion as to whether it refers to a method, model or a theory (Borzel: 1998). This study treats a network as a theory. It is used in contrast to hierarchies and markets. Defined broadly,

a network is a group of interdependent actors and the relationships among them (Bevir, 2009:137).

In the context of the research issue at hand, a network is defined as the interdependence and interrelatedness of all state and non-state actors relevant to the application of Section 139 of the Constitution, consistent with the revised and improved definition of the DLG proposed in this study. Borzel (1998:258) distinguishes between heterogeneous and homogeneous networks. This study prefers to treat a network of actors involved in the placements of municipalities under administration as homogeneous.

The distinction is informed by the commonality and divergence of interests. The common interest binding together all actors in the application of Section 139 of the Constitution to intervene in a municipality is to find a lasting solution. It means that post intervention, the municipality should reasonably not struggle with the provision of executive obligations as mandated for remedial actions would have been taken. For this to happen, the interdependence of actors and their relationship(s) are crucial. The underlying assumption here is that the structure of a network significantly influences both policy process and policy outcomes (Borzel, 1998:258; de Leon & Varda: 2009; Gains, 2003: 60; Sandstrom & Carlsson: 2008).

3.4. Levels of network

The actors involved in the local government sector require coordination both vertically between different spheres of government as well as horizontally, which involves the coordination of different community groups, business and individual citizens. As demonstrated in the previous chapter, coordination is an important task of local government as an institution of development.

Bevir (2009:13) argues that the main thrust of the second wave of reforms is to improve coordination horizontally and vertically between the organisations involved in the aspect of public policy. This argument is consistent with the point made in this report that the current definition of the DLG in South Africa focuses only on the horizontal coordination of local groups, in exclusion of cooperative governance between the three spheres, which must promote coordination between the three spheres. According to Borzel (1998:260), the essence

of policy networks is therefore to provide solution to coordination problems typical of modern, complex societies.

3.4.1. The vertical level

The IGR is treated as a policy community on its own within the policy network of all local government stakeholders. The serious treatment of different spheres of government as a policy network is attributed to Rhodes, while many commentators had chosen to focus on the interest mediation of state/market and/or civil society relations (Borzel, 1998:257). This focus on the relations between different spheres of government is particularly pertinent in the South African context. To date, poor coordination across spheres of government is certainly among one of the major root causes behind policy performance pitfalls.

There is now enough evidence that the constitutional commitment to cooperative governance did not result in unencumbered operationalisation of the principle. The previous chapter extensively dealt with factors that inform failures to realise the intent of the legislation. The failure of a system of cooperative governance has wide implications for the performance of municipalities. A large number of municipalities are condemned to "perpetual non-viability" (Pycroft, 2000:157) for as long as cooperative governance retains many of its stated weaknesses. The spatial features of these municipalities, compounded by stubborn problems of poverty and unemployment, do not give any hope about improved tax base. This leads to municipalities struggling to maintain the prevailing levels of service provision, while the expansion of services will certainly become only ideal but distant.

The importance of focus on vertical coordination is also given credence by the complex nature of human beings and the institutions they design to influence and manage behaviour. Klijn & Koppenjan (2006) opine that networks are institutions since they have rules that regulate collective behaviour. Tensions between central and local government are a matter of public record the world over (Bevir, 2009:44-46). Some developing countries may decentralise merely because they want to shift the "fiscal deficits downwards in order to maintain legitimacy of the national government" (Steiner, 2010:644). In Zambia, local governance reforms became a "mere rhetoric" precisely because national politicians made political concerns a priority at the expense of governance (Mukwena & Lolojih, 2002:228).

It could be said that the spirit of cooperative governance assumes that all actors will have a genuine interest in developing a locality. In his study of the decentralisation in South Africa, Frodin (2011) found that provincial officials have little incentives participating in local

integrated development planning. Another challenge impacting on the quality of the IGR in South Africa is the reality of the ANC internal ructions which mostly play themselves out in governance structures. In some instances, municipal political leaders are senior than provincial officials in the ranks of the party. According to the admission of the party, which led to the amendment of the MSA, this reality has often led to the blurring of the reporting and accountability lines. In the United Kingdom, a study found that a credibility of commitment to technocratic performance measurement between central and local politicians is questionable if the outcomes may affect the political fortunes (Bertelli & John: 2010).

The above discussion stresses the importance of relationships in a network. Beyond relationships, there is also an important aspect of "problem definition and prioritisation" (Sandstrom & Carlsson, 2008:503). In relation to the research issue, this raises questions about whether a municipality shares a common perspective with the province on the basis and intention of the Section 139 intervention or if it sees this as part of policing propensity. Media reports have indicated that some councils in the North West had rejected and resisted this type of interventions precisely because they interpreted it as political purging. In such contexts, it would not be far-fetched to conclude that differences of opinions in problem definition and prioritisation are likely.

The attitudes that each sphere develops about an issue have an influence on the outcome of the intervention, for the intervention will either be supported enthusiastically or grudgingly. Frodin (2011:188) formulates a concept of transaction domain to denote "a mutually agreed-upon definition of a situation according to which a particular logic of interaction, exchange or decision-making is considered socially acceptable". The transaction domain must logically form the basis for reciprocity, which means that "parties remain connected to one another, and in turn, enables networks to form and function" (de Leon & Varda, 2009:67).

It could be concluded that the structure and density of the government network of the three spheres of government - particularly between the province and a municipality since direct supervision is the mandate of the province - or what Gains (2003:72) calls "the level of dependency and degree on integration", broadly and specifically in reference to the application of Section 139, have a direct influence on the horizontal coordination of other policy actors and consequentially affect policy outcomes.

3.4.2. The horizontal level

The horizontal level of a policy network refers to the non-state stakeholders, community organisations or local business that a municipality must work with in pursuance of social and economic development. According to the WPLG, this is the precondition for a DLG. This is arguably the essence of the joined-up governance, which recognises that "civil society and social movements are critical to any sustainable process of democratic decentralisation" (Heller, 2001:134). At a broader level, de Leon & Varda (2009:62) suggest that horizontal relationships can include individuals, organisations, lobbyists, legislators or whoever plays a role in policy development. All of these actors must act deliberately to achieve "development cooperation" (Moharir, 2002).

It is important to note that while legislation commits government structures to consulting communities on affairs that involve them, the guidelines on the application of Section 139 on municipalities are very silent on the involvement or consultation of communities. This is a serious indictment on the government that has expressly said that local governance must promote democracy and that local development is inextricably linked to people centred processes and development. This reality is inconsistent with the study findings of Koppenjan and his colleagues (2009) in the Dutch policy process.

In their research, they found that horizontal governance arrangements undermine the vertical policy networks since the actors in the former have more resources to influence the content, evolvement and outcomes of the policy processes. This is not the case in the South African context, specifically with reference to placing municipalities under administration. It could be owing to the case of what Heller (2009:132) describes as a "monopoly of channels" of influence by the dominant political party.

The issue of the horizontal coordination of community groups will thus not be discussed further since the guidelines at present do not cater for it. It is not known if this omission is informed by "salience and complexity dimensions of public policy" that influence opportunities dictating which policy actors will play a prominent role in the implementation and who will not (Eshbaugh-Soha, 2006:255). The report will raise the issue when dealing with the findings and recommendations.

3.5. Advantages of a policy network

The value of policy networks is best described by the old adage that two hands make the work lighter. The greater the number of stakeholders involved in the policy making process, the better the chances of policy performance and outcomes. According to Robinson (2006:594), the advantage of collaboration lies in the very diversity of participants. Networks facilitate cooperation among various stakeholders for a specified development issue or a singular goal.

For some, collaboration is almost a "king in turbulent world where governments don't have all the answers to complex challenges" (O'Flynn, 2009:113). Collaboration between the state and non-state actors allows for the co-production and co-authorship of locally appropriate solutions to agreed-upon problems and thus promotes ownership (de Leon & Varda, 2009; Kondlo, 2011; Michels & de Graaf, 2008). The creation of invited spaces for non-state actors allows "otherwise quiet voices" to be heard leading to more inclusion (Michels & de Graaf, 2008:480).

Resource dependency or exchange is arguably the greatest advantage of policy networks (Borzel, 1998; Robinson, 2006). Gains (2003:56) adds that the network integration around policy implementation is another strength of a policy network. The notion of integration is crucial since it is indisputably the driving force behind the policy success or failure of municipalities. In the context of the research question, the level of integration and the extent of resource dependency, mainly between the spheres of government, hold the key to determining the outcome of the intervention.

3.6. Disadvantages of a policy network

Marxists are prone to explaining all phenomena from a conflict perspective. For them, every positive contains within it a seed of its own destruction. In other words, a positive aspect never exists on its own; there must be a negative. In relation to the issue at hand, policy networks, vaunted as "a rational response to emerging wicked social problems" (Robinson, 2006:591), are not devoid of problems. Borzel (1996:253) observes that policy networks can both "enhance" and "reduce" the efficiency and legitimacy of policy-making. Diversity must be managed in order to minimise its destructive potential (Darga, 2011:181).

Frodin (2011:189) deploys the concept of domain consensus to refer to "a set of expectations both for members of an organisation and for others with whom they interact, about what that

organisation will and will not do". Domain consensus in the study will refer mainly to the provincial and municipal officials on what they must each do and not do to get the municipality out of the abyss that necessitated intervention. In his study, Frodin (2011) found that the participants in the LED forum understood policy differently and lacked a shared understanding on the respective roles that each actor plays in the process. There was no domain consensus.

In a different study focusing on the relationship between network structure and policy performance in the higher education sector, Sandstrom & Carlsson (2008) found that the problem definition and prioritisation got too complicated for some policy networks, ridden with numerous difficulties and related conflicts. These conflicts adversely affected the ability to mobilise resources. Back to the research question, it is possible that broad and vague notions such as the collapse of administration and the restoration of economic unity may be interpreted differently by provincial and municipal officials.

Networks are fundamentally about human factors and the attitudes that actors develop as well as perceptions that individuals form will inevitably influence the cooperation or lack thereof. In a climate littered with negative attitudes and misperceptions, "even mundane everyday issues could easily initiate acrimonious public debate, as deliberating parties seek to find deep moral and philosophical disputes lurking behind the most minor disagreements" (King, 2003:30). It is against this backdrop that there must always be an appreciation that the policy networks will not always act in the interest of a public good through the integration of resources to facilitate a responsive, accountable, effective and efficient local government system.

Scheidergger (2008) observes that networks do not necessarily always promote the common good but also the particular interests that inhibit democratisation and development as the better equipped tend to dominate. The intervention in municipalities will thus succeed or fail based on the presence of political will to resolve antagonistic conflicts or whether they will employ non-decision making "to suppress conflicts and to prevent them from entering the political process" (Ham & Hill, 1993:67).

3.7. Social capital

The idea of social capital seems to be closely related to a network theory (Bevir, 2009:186; de Leon & Varda, 2009:60; Frodin, 2011:185; Kampen, 2010; Sandstrom & Carlsson, 2008:500). Social capital also seems to be more emphasised at local level. This could be because the rationale for transfer of power to local government is meant to achieve "higher popular participation in public decision-making" (Steiner 2010:644). According to Mukwena & Lolojih (2002:215), local government promotes good governance in any society. Involving citizens in local governance can contribute in overcoming trust deficit that is well recorded in South Africa and elsewhere as a result of a shift to output democracy. Social capital thus provides solution to "confidence crisis" experienced in different countries (Kampen, 2010:213).

The definition of social capital has not been less contested either. It is defined rather through specific variables or its elements. Labonte (2004:116) identifies trust, reciprocity, participation and social network density as essential characteristics of social capital. This means that social capital is commonly understood through its manifestations rather than social capital itself (Fukuyama: 1999). Be that as it may, an assessment of social capital literature indicates that trust, reciprocity and commitment to shared resources are its key tenets. These features must therefore facilitate the improvement of coordination and cooperation for mutual benefit.

A careful reading of the WPLG leads to a conclusion that local government is everyone's business, meaning that "it is what all sectors of society commit to do that will define the dividing line between success and failure" (Netshitenzhe, 2012:117). Although there is a risk of overstatement, Serageldin & Grootaert (2000: 44) opine that "without it, society at large would collapse, and there could be no talk of economic growth, environmental sustainability, or human well-being". For Serageldin & Grootaert, social capital is a precondition for sustainable development (2000: 40).

Social capital has implications for local democracy. Guidelines (Department of Provincial and Local Government, undated) for the application of Sections 100 and 139 of the Constitution do not provide for community consultation. As stated earlier, this is a serious indictment for a government founded on claims of the will of the people. Could it be that the intervention surfaces the tension between the "two desiderata of developmental local government: efficiency and participation" (Heller, 2008:153)? Bevir (2011:16) asks the

question that the networks responsible for intervention in (the two) municipalities should answer: what will happen if the aim of promoting effective governance and perceived legitimacy comes into conflict with that of extending social inclusion and political participation? The exclusion of the community in interventions could be informed by concerns of promoting remedial effective governance.

Like the network theory, social capital has not been spared criticism. It is a coarse concept, being understood as both the cause and effect of good governance. According to Kampen (2010:226), while higher levels of social capital may have positive influence on trust in local government, it may simultaneously increase expectations, leading to a negative effect on trust. An announcement by the provincial government to place a municipality under administration may restore forlorn hopes of the public that the municipality will finally deliver, and this may re-ignite active interest in civic duties. On the other hand, intervention failures to significantly improve a municipality's performance on delivery of services may demoralise citizens further and worsen the already fickle trust over state's capacity to lift their livelihood.

3.8. Social inclusion

Social inclusion and social capital are closely linked particularly as it relates to poverty as a form of exclusion. Implied in this link is the belief that social capital is necessary for or at least one of the necessities for economic growth and poverty reduction. The rapid economic growth of East Asia is an example at hand.

Hayes *et al* (2008) point out that social inclusion/exclusion is synonymous with aspects like poverty, inadequate social participation, lack of social integration and lack of power. The link between social inclusion through poverty reduction and social capital is supported by Adato *et al* (2006: 226-247).

According to Adato *et al* (2006: 229) social inclusion has economic and social dimensions. Individuals are socially excluded if they do not have access to decision making, social services and community and family support. "At one level then, social exclusion can refer to the exclusion to the rights of citizenship..." (Adato *et al,* 2006:229). Importantly, the usefulness of the social inclusion is the support it lends to the importance of social relationships in resource allocation and usage. This further supports the consistent argument

of the influence of the centrality of network structure and resource allocation on policy performance and outcomes.

The above two definitions suggest that social inclusion and social exclusion are "twinned concepts" (Labonte, 2004: 115). However, there is a contrary view suggesting that the two concepts are not necessarily related. The critics of this view argue, somewhat persuasively, that the advocacy for something does not in itself mean an opposition to another. Mitchell & Shillington (2002) argue that "social inclusion has a value on its own as both a process and goal". In this respect, social capital must ensure that the people participate as valued, respected and contributing members of society. For Mitchell & Shillington (2002), social inclusion is a normative concept, "a way of raising the bar and understanding where we want to be and how to get there". Whichever the preferred argument, it is a cause for concern that citizens are formally excluded as valued, respected and contributing members of society despite constitutional assurance that they must be involved in matters of local governance that affect them. It would be disingenuous to suggest that placing a municipality under administration is exclusively a matter of government.

3.9. Conclusion

The network theory was used in this study in light of the nature of local government, taking into account the mandatory requirements about the involvement of multiple actors in local planning. The chapter has demonstrated, using examples, that cohesive and better integrated policy networks can produce desired policy outcomes. On the other hand, policy networks that are characterised by cliques and disintegration, leading to lack of cooperation, may weaken the very notion of development cooperation.

The literature on policy networks has so far tended to link social capital with local government. Social capital is an important element of democracy and local government is inherently about the promotion of democracy. Social capital is ultimately about promoting the inclusion of all key stakeholders, particularly the recipients of service as the ownership of policies and programmes is important in a democracy. It is therefore an indictment that the intervention in municipalities in terms of Section 139 of the Constitution is silent on the involvement of the affected communities. Consistent with the proof that well integrated policy networks lead to better policy outcomes, it could be said hypothetically that the inclusion of communities in decisions pertaining to the implementation of Section 139 in a

municipality could lead to positively different results of the intervention since the community would have taken ownership.

Chapter Four: Research Design and Methodology

Research design and methodology

4.1. Introduction

The chapter discusses the research method employed in undertaking this study. It explains the reasons for the choice of the research method as well as the choice of the two municipalities. The researcher discusses how the data was collected as well as the attendant challenges regarding data collection. Lastly, the chapter concludes with the identification and a discussion of data analysis and data validation strategies.

4.2. The qualitative research method

The chapter on literature review has argued that while there is sufficient literature available on central-local relations, the specific aspect of interventions in municipalities by 'upper' spheres of government as an element of IGR has been "left by the wayside" (Salkind, 2009:44). This then created an opportunity for scientific enquiry, anticipating that the study and its findings will become that "tiny part of the overall process of creating knowledge" (Neuman, 2011:124) that will be useful and available to all local government policy network actors.

The purpose of this study is not to test the cause and effect of the policy of interventions in municipalities. This then, accordingly, informs the choice of the qualitative method. Salkind (2009:12) writes that "the general purpose of the qualitative research method is to examine human behaviour in the social, cultural and political contexts in which they occur". The context has to be emphasised precisely because "human societies are open systems in which many social processes co-exist and influence each other, and most causal relationships in social life thus emerge from the convergence of many events, actions and causal chains" (Frodin, 2011:181). The context-specific factors in the qualitative case study are thus ultimately responsible for determining the match or lack thereof between the policy intentions and the actual outcomes.

This study is exploratory since the point has already been stressed that previous studies have tended to overlook this aspect of IGR. Cresswell (2003:22) stresses that the qualitative approach is merited when little research has been done on the concept or phenomenon for the

researcher does not know the important variables to examine. In the light of the novelty of the study, the primary objective therefore cannot be generalisability. Instead, the aim is to produce detailed descriptions and illuminating perspectives on the specificities of the interventions in the two municipalities. The qualitative method recognises the context-dependent knowledge and appreciates that "small changes in the structure of interaction can have a profound impact on the aggregated social phenomena that emerge out of social interaction chains" (Frodin, 2011:181).

Neuman (2011) proposes that there has to be a link between philosophical foundations and concrete research techniques. Neuman (2011:91) points out that the "research methodology rests on a foundation of ontological and epistemological assumptions". These assumptions constitute a social science theory, which is described as "a means of analysing the social world in order to make it understandable" (Frodin, 2011:181). According to Frodin (2011:181), social science theory constitutes a foundation for the choice and justification of research methods. It is therefore the belief of the author that there is a relationship between the context-driven network theory and the context-dependent qualitative approach. This point has been extensively demonstrated in the previous chapter, citing different studies that have been done on policy networks. While it is not the intention of the study to test the theory – for that is the domain of the quantitative method anyway – it is possible that the theoretical assumptions may refute the hypothesis of the study.

4.3. Comparative case analysis

The research was conducted through carrying out a comparative case analysis of the NLM and the MLM. Case studies are useful in capturing complexity and in enabling the link between micro level and macro level (Neuman, 2011:42) although the generalisability of findings is limited (Salkind, 2009:214).

Case studies are generally associated with the qualitative approach (Neuman, 2011:42) because the preoccupation of researchers is to "produce detailed descriptions and illuminating perspectives on particular events or situations" (Frodin, 2011:181). The literature review has supported the claim that there is little research done on Section 139 of the Constitution in South Africa. For this reason, the qualitative approach picks itself as the preferred approach since it is "exploratory and is useful when the researcher does not know the important variables to examine" (Creswell, 2003: 22). The choice of the case study approach is

consistent with other studies that have focused on the new phenomena in the RSA municipalities (Botes: 2011; Frodin: 2009, Khumalo *et al*: 2010).

Case studies have also been dominant in the study of collaborative networks (Robinson, 2006:596). However, Gains (2003:60-61) charges that single case studies raise methodological problems in the network literature and leads to the link between network characteristics and policy outcomes being disputed. This means that studies focusing on networks will have to use multiple case studies. The choice of the two municipalities in one region and with closely similar characteristics was influenced by this argument. This will lead to an enhanced understanding of the specific manifestations of a more general phenomenon as "similarities between cases may be deceptive" (Frodin, 2011:182). This view is supported by Sandstrom and Carlsson (2008) in their study of four policy networks in Swedish Universities. They found that although the context and formal prerequisites could be the same, "a significance variance in network performances exists" (2008:502).

There are some cautions about the case study method though. Salkind (2011:214) argues that this method is susceptible to bias as what is seen is not always what is real. The case study is time-consuming and loses its breadth. Lastly, while it is not the concern since it is not the intention of this study, the generalisability of the findings of a case study is highly limited.

4.3.1. The selection of the two municipalities for a comparative case study

The selection of the interventions in the two municipalities through Section 139 (1) (b) of the Constitution was based on a number of factors:

- The period of the intervention in the two municipalities is the same, having started on 08 December 2009 and lapsed on 30 June 2011 after local government elections;
- Both the two municipalities appeared in the local and national media respectively following the termination of interventions and the media coverage projected them in a rather negative light;
- Both municipalities are categorised as Category B collective executive system combined with a ward participatory system, with the MLM having ten wards and a total of twenty councillors while the NLM has 12 wards and a total of 22 councillors;
- Both municipalities are led by the ANC as the majority party while the Democratic Alliance (DA) is the official opposition. Both have Congress of the People (COPE) and the Freedom Front Plus (FF+) as the minority opposition parties.

- Both the two municipalities were identified to be in financial distress by the National Treasury in 2009 and are understood to be very vulnerable from revenue generation and institutional development perspectives, having difficulty in attracting and retaining skilled managers, professionals and technicians;
- Both the two municipalities were placed under Section 139 (1) (b) for the collapse of administration and/or governance failures;
- Both the two municipalities have to deliver services to insignificantly different population numbers, with the MLM servicing a total of 63334 citizens while the NLM services a total of 81220;
- The two municipalities are easily accessible geographically to the researcher as they are both within an hour's drive from the location of the researcher.

4.4. Data sources and selection of respondents

The two main sources that were used in the research were documentary analysis and semi-structured interviews.

4.4.1. Documentary analysis

Documentary analysis is a qualitative research technique that is capable of providing a wealth of knowledge. Its strength lies in the fact that the producers of knowledge hardly "know whether anyone would analyse it" (Neuman, 2011:49). The absence of expectation of use by external forces enhances the authenticity of the information, which could be used to corroborate data from other sources. Salkind (2009:210) supports this claim when he observes that the "documents also serve to confirm or contradict information gathered through other means".

4.4.1.1. Documentary sources included

- The RSA Constitution and the applicable local government legislation
- Guidelines for the application of Sections 100 and 139 of the Constitution
- The Overview Report of the State of Local Government in South Africa (2009)
- Local Government Turn-Around Strategy (LGTAS) (2009)
- Delivery Agreement for Outcome 9 between the Cogta Minister and the RSA President
- The Draft National Development Plan: Vision 2030
- White Paper on Local Government (1998)
- Intergovernmental Monitoring, Support and Intervention Bill (2013)

- National Cogta internal report on information regarding interventions in terms of Section 139 of the Constitution
- Cogta Executive Summary of interventions in terms of Sections 100 and 139 of the Constitution (2013)
- Selected provincial and national Cogta presentations to IGR forums
- Auditor General reports on Free State municipalities
- The MEC letter of notification to the NCOP and the National Minister
- Two administrators' handover reports of the MLM and the NLM
- The MLM 2020/11 annual report; the MLM 2012/17 IDP; the MLM 2013 Service Delivery and Budget Implementation Plan (SDBIP); the MLM 2010 Municipal Turn-Around Strategy (MTAS) (the NLM could not provide its documents after several requests)
- Two National Treasury media statements on the NLM's failure to comply with the Section 216 (2) of the Constitution (12 September 2012 and 18 January 2013)
- FS Cogta annual reports for 2010/2011 and 2011/2012

4.4.2. Interviews

Semi-structured in-depth interviews were used along the documentary analysis as the two main research instruments of the study. The semi-structured interviews were used deliberately to answer the primary research question as well as the second supplementary research question. However, this does not suggest that information collated from important and strategic documents could not contribute in providing some answers to these specific research questions. Interviews helped the researcher to probe for details on what was initially contained in the documents. Interviews are the most popular means of generating information in modern society (Holstein & Gubrium, 2006:141). This is probably owing to their "adaptability" as their main strength (Bell, 2001:135).

The researcher developed and provided a framework for the conversation, with a careful selection of research question-related themes to be addressed. Be that as it may, he allowed the respondents the latitude, within the framework, to talk about other important issues or themes that the set of questions the researcher developed might have inadvertently omitted. This flexibility undoubtedly benefited the study a great deal.

The interviews were conducted physically with the respondents between December 2012 and January 2013 at the workplaces of the respondents. The last interview was finally conducted

in April 2013 following repeated series of postponements because of the tight work schedule of the respondent. The respondents were scattered between Pretoria, Bloemfontein, Theunissen and Bothaville consistent with the diverse and dynamic nature of local government as an agora bringing together different policy actors from all sectors and spheres of government. The length of interviews ranged between thirty three minutes to one hour and fifteen minutes depending on the "active interviewing" (Holstein & Gubrium: 2006) process between the researcher and the respondent(s).

All interviews, except one conducted in April 2013, were recorded. Bell (2001:140) states that "tape recordings can be useful to check the wording of any statement you might wish to quote and to check that your notes are accurate". Tape recordings can further reinforce the use of content analysis albeit they consume a lot of time in quest for the identification of categories of the themes or issues.

The open-ended questions were developed out of an extensive reading of the relevant literature and an extensive study of the accessible official documents. Essentially, it was a deliberate strategy of the researcher to ask questions that would either confirm or contradict officially recorded information elsewhere. The questions also sought to agitate for responses that would provide new information altogether on the basis of real or suspected gaps from the official documents.

This is precisely because the suggestion that government officials develop documents – reports, strategies, plans, budget, etc, - not expecting anyone to read them for use of that information, as suggested by Neuman (2011), is somewhat arcane. Government officials are aware of the increasing requests from the public for access to information for personal use as this is permissible in terms of the law.

The respondents were selected only after the researcher was satisfied with the literature review and an assessment of official government reports and commentaries. These exercises helped the researcher to 'pre-determine' themes in order to organise questions and responses into categories that would help facilitate analysis. Against this backdrop, the selection of respondents by the researcher was purposeful. The researcher took it in his strides to ask, request and find the "key informants who, on account of their position or experience, have more information" on the subject matter (Welman *et al*, 2005:204). All of the respondents, except three, were referrals from the concerned institutions on the basis of their position or

experience. Neuman (2011:267-268) refers to the sampling techniques used in the study as purposive or judgemental sampling and snowball sampling.

Literature on qualitative studies cautions against the temptation to pursue aimless and meaningless focus on quantity over quality. The higher number of participants in the study does not guarantee credible and quality results. Willis (2005:204) counsels that it us useful to conduct "a dozen careful interviews, than simply to go through the motions in order to achieve a result that may be impressive but that is lacking in information value". The researcher is therefore confident that a careful selection of fewer but key respondents has invaluably benefited the study. In the overall, eight respondents were interviewed against the targeted ten, which makes it 80% response.

4.4.2.1. In-depth interviews were conducted with the following respondents:

- Executive Manager of Intergovernmental Relations Coordination at National Cogta
- Manager of Intergovernmental Relations Support at National Cogta[8]
- Cogta Free State Director for Municipal Performance[9]
- Acting Senior Manager of Municipal Budgets and In-Year-Monitoring at Free State Treasury
- Director of Municipal Finance Management Act responsible for Free State Province at National Treasury
- Municipal Manager of the MLM
- Municipal Manager of the NLM (previously deployed as the administrator in terms of Section 139 (1) (b) in the MLM)
- Former union shop-steward at the time of intervention in the MLM

4.4.2.2. Respondents whose interviews could not be successful

- Shop-steward in the NLM
- Senior Manager responsible for governance at Free State South African Local Government Association (SALGA)

4.4.3. Access to data

The researcher did not experience significant hurdles regarding access to data except in cases involving the NLM and Free State SALGA. The staff at the NLM failed on numerous

[8] Although the plan was to interview one person per institution, the Executive Manager of IGR at National Cogta called in her junior colleague during the interview. This was therefore a group interview.

[9] Informal discussions were also held with two senior Free State Cogta officials on more than one occasion. One of them was the official in the office of the HOD who dealt directly with interventions.

occasions to honour their commitments to avail the requested documents. Some of the documents were clearly unavailable and the continuation of that trend prompted the National Treasury to consider instituting invocation of Section 216 of the RSA Constitution for the municipality was in breach of its constitutional compliance obligation. It was also challenging to track down the Municipal Manager (MM) for appointment and the consequent interview. On the day of the interview, the researcher was squeezed in between a series of meetings between the Municipal Manager and the National Treasury. However, the thirty three minutes the researcher was afforded contributed significantly towards the study objectives.

Free State SALGA has its own challenges that the researcher attributes to the vacillation of the prospective respondent. There are issues that the identified respondent raised informally and in confidence with the researcher which potentially have influenced his decision about participation in the study. A request was made to the researcher to email a list of questions that would be asked. The researcher complied with the request in December 2012. Since then, appointments have been made, only for the researcher to be dropped on the last minute without even a courtesy to alert him of the cancellation.

All other respondents and their offices went out of their way and demonstrated the work ethic reportedly inimical in the South African public service. Appointment for interviews was granted almost upon the first request. Requested and additional useful information was provided at the earliest convenience.

4.5. Data analysis and interpretation

As stated earlier, data was generated using documentary analysis and interviews. The researcher had to identify themes and concepts relevant to the research questions. This is consistent with qualitative research analysis, which is done through the organisation of the raw data into "conceptual categories" and "creation of themes or concepts" (Neuman, 2011:510). Neuman (2011:511) refers to this stage of data analysis as open coding. Neuman (2011:517) defines data analysis as a search for patterns in the data, which must be interpreted in terms of social theory or the setting in which it occurs. According to Neuman (2011:517), analysis "involves examining, sorting, categorizing, evaluating, comparing, synthesizing and contemplating the coded data as well as reviewing the raw and recorded data".

This meant that one had to listen to recordings with each respondent several times in order to properly categorise the emergent concepts or themes. This exercise could not be entirely isolated from the recognition of themes identified in the literature review and the government official reports. Neuman (2011:512-513) refers to this stage as axial coding. The focus at this stage is on the initial coded themes than on the data and one has to be amenable to the emergence of new ideas or themes as well as the willingness and skill to review those already existing.

According to the understanding of the researcher, this stage involves a ratification of major themes or concepts which will be used for the final analysis and drawing of conclusions. This stage then lays the basis for the last stage that Neuman (2011:515) calls selective coding. For him, "selective coding involves scanning all the data and previous codes, looking selectively for cases that illustrate themes, and making comparisons after most or all data collection has been completed". The researcher followed this three-staged process to analyse the data collected.

Additionally, the researcher acted deliberately to search for policy gaps against policy intentions using the coded themes. During the axial coding, he juxtaposed the findings of the documentary analysis against the findings of the interviews before finally settling on selected major themes.

4.5.1. Outcroppings

In gathering data using both documentary analysis and interviews, the researcher was aware of the politics-policy dichotomy and/or tension prevalent in South Africa as widely reported. This awareness adequately prepared the researcher to be attentive to the relationship between the appearance and the essence, informed by obtaining political context. An appreciation of the possibility of cautious responses during the interviews, especially by the respondents in the province, was crucial as most respondents knew the researcher personally and what the researcher does professionally and in other fronts. The researcher therefore had to act deliberately not to undermine the plausible potential of this reality during the data collection and analysis processes.

Throughout the interviews, the researcher had to pay attention to the real mannerisms of the respondents in order to evaluate the relationship between what was said and the countenance, subtle body movements, fidgeting, laughing, etc. Neuman (2011:517) counsels that data has to be analysed for "both the surface level or reality and the deeper structures and forces that

may lie unseen beneath the surface". Because the officials of government are becoming increasingly aware of the requests for access to information of government, the researcher was therefore alive to the reality that the generation of reports and other documents in government is not oblivious to this reality. A possibility that there is a consequential careful formulation and presentation of documents cannot therefore be ignored.

4.5.2. The ideal type strategy of analysing the qualitative data

Neuman (2011) distinguishes between seven strategies of analysing qualitative data. He lists the ideal type method as one of the seven strategies that can be used to analyse this type of data. This is a method of agreement that focuses attention across cases and looks for common causes with a common outcome and a comparison is drawn against an ideal model. In this instance, the ideal municipality and related processes and systems are those explained in the WPLG, which prescribes a desired or ideal developmental local municipality. Comparison is then made placing great premium on the unique context of each of the two municipalities since the study is strongly interpretive. The analysis of themes and concepts and their relationships and how they are treated by different respondents was undertaken within this framework of comparison between the two actual cases and by comparing the actual cases against the ideal developmental municipality.

4.6. Limitations of the qualitative method

The exploratory qualitative studies have their own significant limitations. Neuman (2011:38) observes that qualitative studies cannot yield "definitive answers" as they are usually the first studies that are used in preparation for a more systematic and extensive study at a later stage. This observation is consistent with the findings of this study. The point will be made in the last chapter about a need for a more expanded study focusing on the same research question so that definitive response could be found.

As pointed out already in discussing the case study method, one of the weaknesses of the exploratory qualitative approach is the limited generalisability of the results (Salkind, 2009:221). There is also a weakness of inherent bias as data is often generated from the observations of others. While it is easy to acknowledge the unavoidability of bias, including that of the researcher, removing it altogether is perhaps the most challenging aspect of the qualitative study (Bell, 1999:139).

4.7. Conclusion

The chapter has outlined the research methods used. The qualitative method was discussed because there was justification offered why it was selected. Consistent with the literature cautions, the researcher appreciated that while recording interviews is useful for purposes of quoting, transcription is time-consuming and exhaustive, and runs the risk of continual loss of concentration. Each recording has to be listened to at least more than once. However, there is a value in that the researcher does not miss important direct words and concepts used by the respondents. The documentary analysis and interviews were discussed as the study sources of data. The chapter concluded with a discussion of outcroppings and the ideal-type as the strategies used in the analysis and the interpretation of data.

Chapter Five: Research Results and Interpretation

Comparative cases of interventions in Masilonyana and Nala Local Municipalities: Research Results

5.1. Introduction

The chapter presents and discusses the findings of the study in line with the category of the themes identified. The findings are from the two research techniques used to gather data. The presentation and discussion link the findings to the research questions and objectives. The findings are analysed against the themes generated mainly in the Literature Review (Chapter Two) and from the data collection process.

5.2. The legislation and regulation of Section 139 interventions

There is currently no dedicated law that provides for the comprehensive regulation of interventions in municipalities, except for the broad provisions in the RSA Constitution, the guidelines (Department of Provincial and Local Government, undated) and the MFMA, which sets out the processes of interventions concerning the precarious financial position of a municipality. The study found out that the National Assembly is presently busy with the Bill intended for enactment into law, which will provide the needed comprehensive regulation of interventions in provinces and municipalities. The interventions in the two municipalities were thus implemented using the Constitution, with its broad provisions, and the non-binding guidelines.

In contrast with other mandatory local government laws, the RSA Constitution does not enforce the National Assembly to pass the law that regulates interventions. The Constitution can, in this context, be treated as a "soft law" (Treib *et al*, 2007:5) because it does not compel the National Assembly to formulate such a legislation. Section 139 (8) of the Constitution (1996:78) only proposes that the "National legislation ***may*** regulate the implementation of this section, including processes established by this section".

It is possible that the current processes undertaken by the National Assembly to formulate the legislation intended for a comprehensive regulation of interventions could be as result of provincial interventions in municipalities becoming "commonplace", according to the Executive Manager of IGR Coordination (Interview with Executive Manager of IGR Coordination at the national office of Cogta conducted on 11 December 2012, Pretoria). The

Bill introduces some important aspects that have been missing from the processes of interventions, although it is still debatable if they will adequately address important factors that determine the outcome of the specific policy performance. Those shortcomings will be highlighted in the next sections and recommendations will be provided in the last chapter.

5.3. The historical performance of the two municipalities

The two municipalities were placed under administration for failure to satisfy the minimum standard of the specific executive obligations as stated in Chapter One. However, it is important that any considered assessment of the performance these two municipalities is conducted against the framework of the five KPAs of local government discussed in Chapter Two.

The framework above is consistent with the remarks by the Executive Manager of IGR Coordination at national office of Cogta that "there are so many variables around a performance of the municipality" and this calls for a thorough investigation before a decision on intervention is made (Interview conducted on 11 December 2012 in Pretoria). Schedule 4, Part B and Schedule 5, Part B of the RSA Constitution (1996) list the functional areas that the local government is responsible for. All these functional areas together constitute the five KPAs, namely:

- Municipal financial viability
- Institutional transformation and development
- Basic services
- Good governance and public participation
- Local Economic Development

The next section discusses the findings on the performance of the two municipalities on each of the performance area against the required capacities discussed in Chapter Two.

5.3.1. Municipal financial viability

Section 153 (a) of the RSA Constitution (1996:85) enjoins a municipality to "structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community". This requirement imposes a sound financial management system as the key prerequisite if the municipality is to respond to the developmental objectives as mandated by the Constitution

The MFMA (2003) is a crucial legislation on matters of sound financial management in municipalities. It provides for all processes and systems that must be implemented in order to achieve the objective of sound financial management. Such systems include monthly reporting and mid-year performance assessment on all revenue and expenditure transactions as well as matters of procurement. The study found that the MLM did not have "prudent financial management system" in place according to the Free State EXCO minutes dated 08 December 2009. In the interview with the Director of Municipal Performance at the FS Cogta on 12 April 2013, it was established that the municipality has been in persistent material breach of its obligations, largely due to its inability to raise revenue in line with the approved budget.

Debts were increasing in the municipality. Projects could not be completed because of the missing funds and there was no compliance with reporting requirements as stipulated by the MFMA. On more than one occasion, the municipality failed to pay its employees on time.

> "There were instances when the municipality could not pay us our salaries on time. Many of our members reported that sometimes they would be returned from doctors because of unpaid medical aid. These and many other problems affected the morale of employees" (Interview with a former union leader in the MLM on 08 January 2013, Bloemfontein).

The absence of proper financial management system also led to money being wasted on "ghost workers" (Interview with Director of Municipal Performance at FS Cogta on 12 April 2013). The poor financial management in the municipality could explain the successive disclaimer opinions by the AGSA on the municipality. For six years consecutively, the municipality was stuck in the disclaimer category for its failure to address the qualification areas. Below is the table of auditees in the Free State province indicating their most recent two years' audit outcomes and issues raised by the AGSA. The NLM is not included as it could not be audited for the last three years due to its failure to submit the AFS.

Table 5.1: Audit Opinion, Selected Municipalities in the Free State

Auditee	Audit opinion 2010-11	Movement in addressing 2009-10 qualification areas							Audit opinion 2009-10
		Non-current assets	Current assets	Liabilities	Other disclosure items	Revenue	Expenditure	U, I and F&W	
Municipalities									
Xhariep District	Financially unqualified with findings							Addressed	Qualified
Dihlabeng	Qualified	Repeat	Addressed	Addressed	Addressed	Addressed			Qualified
Kopanong	Disclaimer	Repeat	Repeat	Repeat	Repeat	Repeat	Repeat	Repeat	Disclaimer
Letsemeng	Disclaimer	Repeat	Repeat	Repeat	Repeat	Repeat	Repeat	Addressed	Adverse
Maluti - A - Phofung	Disclaimer	Repeat	Repeat	Repeat	New	Repeat	Repeat	Repeat	Disclaimer
Mangaung	Disclaimer	Repeat	Repeat	Repeat	Repeat	Repeat	Repeat	Repeat	Disclaimer
Mantsopa	Qualified	Repeat	Repeat	New	Addressed				Qualified
Masilonyana	Disclaimer	Repeat	Repeat	Repeat	Repeat	Repeat	Repeat	Repeat	Disclaimer
Matjhabeng	Disclaimer	Repeat	Repeat	Repeat	Repeat	Repeat	Repeat	Repeat	Disclaimer
Metsimaholo	Disclaimer	Addressed	Repeat	Repeat	Repeat	Repeat	New	Repeat	Disclaimer
Mohokare	Disclaimer	Repeat	Repeat	Repeat	Repeat	Repeat	Repeat	Repeat	Disclaimer
Moqhaka	Disclaimer	Repeat	Repeat	Addressed	Addressed	Repeat	Repeat	Repeat	Disclaimer

Source: Auditor General (2012)

The Director of Municipal Performance at FS Cogta likened the NLM to the "problem child" of the FS government (Interview conducted on 12 April 2013). The persistence of the absence of systems and unaccountability in the municipality further came to the public domain when the NT released two media statements (National Treasury: 2012), stating their intention to invoke Section 216 (2) of the RSA Constitution. This section (RSA Constitution, 1996:126) empowers the NT to "stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach" of acceptable measures. The AGSA General Report on the audit outcomes of the FS Local Government reported that the municipality could not be audited "due to a total breakdown in systems" (AGSA, 2012:61). In the interview with the Acting Senior Manager of Municipal Budgets at FS Treasury conducted on 10 January 2013, it was established that the rules were relaxed in the municipality due to a high incidence of political divisions, which subsequently compromised standards and ethics.

Some problems that led to the precarious position of the municipality included lack of prudent financial management, mainly evidenced by misuse of petrol cards, missing funds and poor, sometimes total lack of billing (Interview with the Director of Municipal Performance at FS Cogta conducted on 12 April 2013). The AFS have not been compiled in at least three years consecutively, resulting in failure to be audited and the NT invoking

Section 216 (2) of the RSA Constitution in early 2013. Part of the reasons cited by the NT to consider such a drastic move was the municipality's failure to act on forensic investigations findings, which "unearthed serious incidences of maladministration, flouting of procurement processes, fraud and corruption at the municipality" (National Treasury: 2012)

The problems depicted above suggest that the two municipalities lacked the technical capacity to develop effective budget and revenue enhancement policies. The two were found lacking on the administrative function of budget processes. This is reflected in the unrealistic anticipated revenues of the municipalities contained in their budgets, against the reality of recorded persistent under-collection.

5.3.2. Institutional transformation and development

This key performance area is also traced from Section 153 (a) of the RSA Constitution and concerns the issues of human resource provisioning and labour relations as well as transformation matters. The basis for these processes is the technical and institutional capacities to set and manage effective policies and enforce rules that govern the running of a municipality. The facilitation of the attainment of these capacities will set an impetus for responsive, accountable, effective and efficient service delivery.

For instance, there must be clear policies on recruitment, promotions, retention and skills development spelling out the equity targets of a municipality. Among others, a recruitment policy must set the minimum requirements of competency and qualifications for each post. That would mean that only the candidates meeting the minimum requirements must be appointed into the institution. But this is not always the case. At the height of incendiary service delivery protests in 2009, the Cogta study (2009:4) found that part of the priority issues that must be addressed immediately is the "insufficient municipal capacity due to lack of scarce skills".

The study found that the MLM did not have the MM at the time problems in the municipality were worsening. The MM who was leading the municipality at the genesis of serious problems was not appropriately qualified and experienced. There was also a high turnover of senior management, a problem which is commonplace across the local government sector according to the Acting Senior Manager: Municipal Budgets in the FS Treasury (Interview conducted on 10 January 2013, Bloemfontein). The respondent also said that the municipality had a propensity to delegate interns to compile reports without supervision. The CFO signed reports without proofreading, only to fail to give account on the content when contacted for

explanation. In addition, the municipality also tended to send wrong people to capacity building sessions. These two incidents are the signposts of the flippancy that existed at senior management level of the municipality.

In the interview with the Director of Municipal Performance at FS Cogta on 12 April 2013, the researcher found that the NLM council continually failed to appoint senior managers. Lack of administrative leadership resulted in junior officials doing as they pleased due to lack of monitoring and oversight, according to the interview with the Acting Senior Manager of Municipal Budgets at FS Treasury on 10 January 2013. As discussed in Chapter Two, leading and learning are crucial functions of a municipality whose presence will generate the necessary political capacity to respond to societal demands. The absence of a leadership from within weakens a prospect of a municipality leading various external stakeholders that must be mobilised behind the vision of a municipality.

The continual failure to appoint senior managers in the municipality resulted in a highly uncommon and illegal incident, which was the appointment of a junior official to act as the MM, according to the handover report of the administrator (NLM Handover Report, 2011). The very decision taken by the Council could serve as an indicator of a calibre of the municipal political leadership and possible infighting within the institution. The municipality also failed to appoint the CFO, managers responsible for the IDP and LED, as well as the PPO. The minutes of the FS EXCO dated 08 December 2009 noted that the length of these vacancies adversely affected the smooth coordination of the IDP.

The staffing problems in the two municipalities discussed herein are indicative of the municipal leadership's lack of appreciation that meeting the organisational business objectives is invariably "a function of human resource capacity" (Ababio, 2007:3). The extent to which responsible personnel is trained, empowered and motivated to perform duties optimally is a decisive factor. Sadly, municipalities tend to dump whoever is disliked in the institution to human resource section, without appreciating the influence of performance or lack thereof in the section.

5.3.3. Basic services

The successful execution of the previous two KPAs enhances the prospects of a municipality in the performance of administrative functions of providing physical and social infrastructure. Basic services include, but are not limited to, potable water, electricity, sanitation, municipal roads, storm water channels, refuse removal, cemetery establishment and maintenance, parks

and recreational facilities. Most of these services form part of what is termed ten critical services (FS Cogta IDP Assessment report, 2012:15). All municipalities, without exception, must address these critical services.

The MLM has been having a persistent problem of water supply due to the ageing infrastructure and poor strategic planning by the municipality. Further, the misuse and possible embezzlement of funds led to a failure to complete multiple projects which were meant to increase access to sanitation. The municipality also had poor spending patterns of the MIG allocation (Interview with the Director of Municipal Performance at FS Cogta conducted on 12 April 2013, Bloemfontein).

The handover report (2011) of the Administrator in the NLM showed that the MIG spending was only 25% of the allocation, meaning that the policy intention of addressing service delivery backlogs to the previously disadvantaged communities was being failed. Projects remained incomplete despite the municipality reporting that it exhausted funds meant for the projects.

According to the Director for the MFMA Implementation at the National Treasury, "The state of finances in Nala left much to be desired to the effect that it was proving difficult to deliver services and honour credit obligations" (Interview conducted on 30 January 2013, Pretoria). As a result of the collapse of systems in the municipality, the KPMG was appointed to conduct investigations and found that service providers were paid by the municipality without delivering any service. This finding is consistent with the 2009 Cogta study finding contained in its report:

> "The lack of values, principles or ethics in these cases indicates that there are officials and public representatives for whom public service is not a concern, but accruing wealth at the expense of poor communities is their priority". (Cogta, 2009:10)

The practice of paying service providers for work not done confirms the observation made earlier by the Acting Senior Manager of Budgets at the FS Treasury that there was deliberate non-compliance with the rules and standards in the NLM. The relaxation of rules and compromise on standards may well explain the ranking of the municipality as the lowest in terms of access to sanitation (Interview with the Executive Manager: IGR Coordination national Cogta conducted on 11 December 2012, Pretoria).

The performance of the two municipalities on the delivery of services is mixed, although steady progress has been made with regard to access to water, electricity, and other basic services as reported by Stats SA in its Census 2011 report. The appointment of the right people into positions and the introduction of financial controls for better financial management can help the municipalities to deliver a democratic dividend to more citizens.

5.3.4. Good governance and public participation

The literature reviewed in this report has indicated that governments pursue the broad goals of efficiency and democracy. It was also pointed out that much of the recent debate on good governance, particularly by the leading multi-lateral organisations and supporters of the third generation reforms, cannot conceive of good governance outside public participation. The RSA Constitution enjoins municipalities to promote and deepen democracy. Municipalities must foster a culture of public participation that reinforces a representative democracy at provincial and national spheres of government. It is for this reason that some have concluded that local government promotes good governance in any society (Mukwena & Lolojih, 2002:13).

The study could not get conclusive information on how the MLM has been performing on public participation. However, in deciding to place the municipality under administration, the FS EXCO mandated the administrator to urgently facilitate the development and adoption of the Performance Management System (PMS) framework, among other responsibilities. The absence of performance measuring tool makes it difficult to measure any performance area or indicator.

The FS EXCO minutes explicitly said that public participation had collapsed in the NLM as a result of the municipality's failure to appoint the Public Participation Officer (PPO). The absence of the PPO in the municipality made the coordination of the IDP process difficult. The researcher learnt through various IGR forums in the province that the NLM was one of the two municipalities in the FS province that were paying 'out-of-pocket' expenses to the members of ward committees. It is therefore strange that public participation had collapsed while the municipality incurred monthly expense aimed at promoting the very practice. The NLM has twelve wards, each made up of ten members of the ward committee. According to the interview with the NLM MM conducted on 23 January 2013 (Bothaville), each member was paid R1000 a month. The monthly expenditure of R120 000, which builds up to an

annual expenditure of R1 440 000m, while public participation had collapsed, could potentially constitute a fruitless and wasteful expenditure.

However, it would seem that the PEC was unrealistic in thinking that the mere appointment of the PPO would solve the problem. That is a facade. Problems of lack of consultation with the community are deeper. The March 2013 FS SALGA Summit on Public Participation, where the researcher was participating in his capacity as a civil servant, heard of how PPOs are used for other purposes, like being sent to collect Office Bearers' children from school, washing their principals' cars or as messengers of different offices. Secondly, the Cogta study found that "councillors have been accused of being arrogant and insensitive to the needs of the community" (2009:12). These views are consistent with the observation of the Director of Municipal Performance at FS Cogta that there is a tendency to "short-circuit" public participation in spite of the laudable legislation (Interview conducted on 12 April 2013, Bloemfontein).

Concerning good governance, Cogta drew an important conclusion in 2009 that the effective functioning of a municipality begins with its political leadership. This view was echoed by the NLM MM when he said that "political leadership is a cornerstone of a good municipality" (Interview conducted on 23 January 2013, Bothaville). The collapse of systems in the two municipalities is a serious indictment on the leadership and is suggestive of organisations lacking political capacity. Most of the respondents were livid in saying that a resort to Section 139 intervention is an indicator of a failure of political leadership.

The NT Director of MFMA Implementation lacked confidence on the role and impact of political leadership in NLM. This respondent argues that the leadership should have detected problems very early had it been effective on its oversight responsibility. However, two respondents did not expect councillors to carry out their function as mandated by legislation. The former union leader in the MLM thought it is "unfair" to expect councillors to oversee and monitor appropriately qualified, experienced senior managers while they themselves hardly have a grasp of governance processes and systems (Interview conducted on 08 January 2013, Bloemfontein).

The FS provincial treasury respondent supported the former union leader, saying that:

> "If I had my way, I would certainly say that there should be minimum requirements for any particular job. We need to start educating our politicians better otherwise service

> delivery will forever be compromised. Political leadership should be a career, not a gamble" (Interview with the Acting Senior Manager of Municipal Budgets conducted on 10 January 2013, Bloemfontein).

The AGSA (2012:67) linked the poor audit performance of FS municipalities in the 2010/2011 financial year to the "commitments not being coordinated between the stakeholders and a general lack of municipal leadership commitment to implement and monitor initiatives". The FS Cogta 2010/2011 Annual Report further noted that the leadership and attendant oversight responsibility is the key challenge that all municipalities in the Free State must immediately deal with.

The Director of Municipal Performance at FS Cogta and Acting Senior Manager of Municipal Budgets at FS Treasury agreed that permanent infighting in the NLM between the Mayor and the Speaker was to blame for most things that have gone awry in the municipality over the years, before, during and even presently post the intervention. The division between the two most senior political leaders of the institution led to the polarisation of both the council and administration. While there may be other challenges, the political leadership in the MLM seemed to be generally stable. The common challenge in the two municipalities was the weak oversight carried out by the leadership. This was either as a result of lack of political will to turn things around or purely the lack of skills.

5.3.5. Local Economic Development

The RSA Constitution clearly mandates municipalities to promote social and economic development. As reflected in Chapter Two, economic development is usually linked to claims of a developmental state. Since developmental states tend to emphasise economic growth, there is therefore a greater need for municipalities to equally play an important role on growing and developing local economies. According to Nkuna (2011), it is actually the local government that affects the lives of people on a daily basis. This therefore means that any celebrated economic growth must be felt by the ordinary people in wall-to-wall wards.

The desired performance in the promotion of the LED activities is interdependent on other key performance areas. A municipality must generate a good income in order to fund its LED initiatives. In most instances, municipalities that experience financial constraints tend to prioritise operational expenses ahead of developmental projects. As argued in Chapter Two, the successful LED initiatives are invariably a function of human resource. This challenges municipalities to appoint appropriately qualified, experienced and innovative people into the

system, particularly in smaller and semi-rural municipalities like the MLM and the NLM. However, studies reveal that many municipalities do not have "economic knowledge in place" (du Plessis & Thomas, 2007:19).

In an interview with the MLM MM conducted on 14 December 2012 in Theunissen, the following was established: the MLM had an out-dated LED strategy before the intervention. The strategy was reviewed only after the intervention. The challenge in the municipality remains the absence of a dedicated LED unit. Only one person is appointed in middle management to deal with both the IDP and the LED. The same official was also responsible for the PMS before the intervention, doing all three at the same time. The municipality had advertised to appoint the director but that has since fallen by the wayside.

Prior to the intervention, the PEC noted that the NLM did not have the LED unit as well as the strategy and the administrator was mandated to respond to those challenges. The newly appointed MM and the handover report of the administrator confirmed the appointment of the LED manager and two other officials. However, the MM raised concern on the capacity of the incumbents and doubted if those appointments will add any value to the municipality post the intervention.

5.3.6. Concluding remarks

The five KPAs of local government do not exist in isolation. They are closely related and sometimes it is even difficult to draw a line of difference. This is evident in the mandate given to the two administrators in the MLM and the NLM. The assumption of responsibilities in specific areas also affected other areas. Each performance area has its many indicators that any considered assessment of a municipality needs to take into account. Over and above the analysis of the performance areas, there are other important factors that must be taken into account in trying to make sense of any performance issue, such as the workplace culture and political milieu.

5.4. Performance culture

The MSA is a local government piece of legislation that arguably breathes life into the notion of a developmental local government. Among many of its objectives, it sets out to establish a simple and enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change which underpin the local government system that must be accountable, efficient, effective and responsive. The word

"core" from the previous sentence, in the description of the performance management (system) as part of the processes, needs to be underscored.

In 2011, the MSA was amended to regulate, specifically, the appointment of the accounting officer (MMs) and senior managers reporting directly to the accounting officer. The amendments impose limits on the period of acting on vacant positions. The acting duration must not exceed three months. It is expected that the three months constitute a reasonable period for the council to advertise, short-list, interview candidates and select for appointment the most suitable candidate.

The MSA dedicates the whole chapter to issues of performance management, which both the two municipalities under study failed to satisfy. The performance management framework requires the Mayor to sign performance agreement with the Accounting Officer and consequently the Accounting Officer to sign performance agreements with senior managers. The critique of the local government performance system has been its conspicuous failure to insist on the performance appraisal of officials below senior managers as well as councillors, as already indicated earlier by some of the respondents. The other factor that indicts claims of seriousness about performance in municipalities is the system of collective bargaining, which commits to the guaranteed thirteenth cheque to officials below senior managers irrespective of one's performance.

The two municipal managers, both of them new in their respective institutions, commented that they found a culture of laxity in the municipalities largely due to the collapse of systems, including the performance management framework. There was also a worrying tendency by both political and administrative leadership to ignore findings of wrongdoings. The entrenched practice of impunity demoralises the few that are committed to doing what they are appointed and paid to be doing, resulting in demoralisation being the account for high turnover of staff at times.

Interestingly, the two MMs said they did not get a sense of work ethic when they joined the institutions shortly after the termination of interventions. The MLM MM, who emphasised three times the importance of the question on performance culture, replied as follows:

> "This is a very good question. There is no culture of work ethic. People have to be pushed. I have had to discipline people since arriving. Many of the service delivery

> issues in the municipality are as a result of poor culture of work" (Interview conducted on 14 December 2012, Theunissen).

His counterpart in the NLM agreed with him that performance culture is generally weak in local government. The two respondents from the National and Provincial Treasury also shared the sentiment that the two municipalities do not have an oversight culture. They cited, for instance, the fact that the MFMA requires the submission of monthly financial statements to the Mayor yet that was not happening and action was not taken against noncompliance. In MLM, senior managers were awarded performance bonuses amid glaring indicators that service delivery was taking a dive. While both administrators reported the introduction and implementation of the performance management framework for the two municipalities as mandated by the PEC, the newly appointed municipal managers contradicted the reports of administrators in terms of what they inherited.

5.5. Contextual factors

5.5.1. The political environment

Chapter Two largely dealt with the importance of the relationship between the context and policy outcomes. Chapter Three expanded the argument, citing scientific examples of same policies producing different outcomes as a result of different settings, including the influences of networks' relationships and structures. This means that it is important to take into account the distinct characteristics of each context when it comes to policy performance. This is what the LGTAS seeks to achieve, which recognises the "difference in strengths and capabilities of municipalities, the challenges of each and that these need to be approached differently" (Cogta, 2011:6).

When Cogta (2009:8) conducted an assessment, it found that the following four issues are among the resilient fault lines characterising local government:

- Poor relationship and accountability relationships with communities
- Problems with the political-administrative interface
- Number of violent service delivery protests
- Intra – and inter-political party issues negatively affecting governance and delivery.

These observations have been confirmed by some commentators as well (Booysen: 2012; Holden: 2012). There is seemingly a broad agreement that entrenched internal ructions of the ANC are affecting governance processes. This is the case with the NLM. When the Director

of Municipal Performance at FS Cogta mentioned that the municipality has always been a problem child, it was in reference to the ANC local internal problems that have constantly negatively affected the running of the municipality over the years, dating back to the pre-2006 period. During that era too, the municipality was experiencing recurring violent service delivery protests led and supported by some in the ANC who were anti-provincial leadership or council leadership.

While it is acknowledged that the environment does influence the policy implementation and outcomes, the Executive Manager of IGR Relations at national Cogta cautioned against the "over-dramatisation" of the political-administrative tensions (Interview conducted on 11 December 2012, Pretoria). When the researcher put it to her that the Cogta study in 2009 emphasised the issue as one of the priorities that must be addressed urgently, she conceded that tensions do contribute somewhat adversely in the running of a municipality. At the beginning of the interview, perhaps unguardedly, she described the NLM as "problematic", a statement which was later to be supported by the Director of Municipal Performance at FS Cogta (Interview conducted on 12 April 2013, Bloemfontein).

The evidence gathered indicates that the municipality is almost a perennial problem because of the permanent fights and tensions in the political leadership. The tensions between political leaders led to the polarisation of the municipal staff along key personalities, resulting in municipal staff according or denying leaders respect on the basis of allegiances and considerations of self-preservation. Asked to comment on what it is that an ordinary person does not know about the NLM, the Acting Senior Manager of Municipal Budgets at FS Treasury was very candid:

> "Politicians are administrators. Administrators are politicians. People want to oversee themselves. There is a lot of political instability and some people want to use it to their advantage" (Interview conducted on 10 January 2013, Bloemfontein).

This personal advantage is arguably self-enrichment as unearthed by the investigation that service providers were paid for work not done, while the community was exposed to inhumane conditions that are inimical to a democratic promise.

None of the respondents could confidently speak of the specific kind of political environment in the MLM, except that the Acting Senior Manager of Municipal Budgets at FS Treasury said that if there were any political issues in the MLM, they were not as flagrant as in the

NLM case (Interview conducted on 10 January 2013, Bloemfontein). That all the respondents could not explicitly speak of tensions or lack thereof in the MLM does not denote that the municipality is devoid of dynamism and complexity immanent in the local government sector.

The dynamism and complexity are rooted in the primacy of politics owing to the vested interests of control and the maintenance of electoral support and emergence to leadership structures of the political party. The primacy of narrow self interests have a negative effect on the required professional running of the municipality as sometimes people are not appointed on the basis of the minimum requirements of a post, like in the NLM where appropriately skilled and experienced people were overlooked in favour of those willing to do wrong things in pursuance of self-preservation. This explains why a junior official was appointed as the Acting MM in the municipality ahead of other more senior officials.

5.5.2. Oversight and support

5.5.2.1. The provincial oversight

Much of the oversight responsibility and support to municipalities lies with the provincial government, particularly the Treasury, Cogta and to a degree, the Offices of the Premier. It is precisely because of this government configuration that the study challenges the current official definition of the DLG, and proposes a revision that must include the IGR element. The role played by the national and provincial spheres of government is as crucial as getting the local community involved in local planning. On this account, the government needs to be credited with having correctly analysed that oversight weaknesses are among the key issues that must be urgently resolved if municipalities are to perform better. Cogta (2009:19) noted the following:

> The provincial Departments responsible for local government and the Offices of the Premier are the oversight, support and lead governance entities in provinces. Both offices have previously been found to be under-resourced, poorly structured and capacitated, and often lacking a core focus on their oversight and governance mandates. Systemic weaknesses and low capacity translate into poor responsiveness and structural ability to act as a responsive sphere of government.

There are charges that provinces mostly lack appropriate skills to carry out their functions of support, monitoring and interventions (Coetzee: 2010). In instances of the availability of skills, political will lacks because there are simply no incentives (Frodin, 2011). These two

issues will have to be addressed urgently in order to achieve greater efficiency at provincial level. However, most of the respondents differed with the charge that provinces suffer from a skills' shortage. It is only the Acting Senior Manager of Municipal Budgets who agreed, albeit she said that other levels of government should not be exonerated from the same problem:

> "It is correct. It is correct. It is correct to a certain level. But this applies to the national level as well because people who come up with reforms mostly do not have municipal experience that is why these reforms are only good on paper but not implementable" (Interview conducted on 10 January 2013, Bloemfontein)

The observation about the practicality of the laws is crucial despite it coming from a single respondent. It is widely reported that local government practitioners complain about the over-regulation of the sector, and that most of the laws are not sufficiently context-sensitive of different categories of municipalities. The respondent also made an important point that the national and provincial spheres of government must deal with, which is the conflicting laws made by different sector departments. Parliament usually fails to pick this up and the situation leads to frustration and confusion in municipalities. The latest example at hand is the introduction of the Municipal Public Accounts Committees (MPAC) in municipalities. The issue created differences on operationalisation between the NT and Cogta.

All other respondents agreed that the capacity of the provincial government, especially in the Cogta department, is a big concern. Capacity challenges in provinces on their oversight role have to be understood in context. The Executive Manager of IGR Coordination at national Cogta made a very important observation:

> "When the government adopted the White Paper on Local Government, it was not anticipated that local government would have sort of problems that it has had in the last few years. This means that the size of support departments is very small" (interview conducted on 11 December 2012, Pretoria).

This expression is important as it echoes some informal views gaining currency about re-organisation of the local government in South Africa. It exposes the transient nature of the ideals of the WPLG. The problems that have become synonymous with local government have mobilised support for a need for willingness to re-think the relevance of the injunctions of the WPLG.

The respondent added that there is a need for "a fresh look" at how to build the support function and "re-balance new modalities" of doing things (Interview with the Executive Manager of IGR Coordination at national Cogta conducted on 11 December 2012, Pretoria). She was supported by the Director of Municipal Performance at FS Cogta, who felt that the necessary expertise in the department of FS Cogta is short-changed by the failure of the department to adopt a structure that was recommended in 2009 (Interview conducted on 12 April 2013, Bloemfontein). The approval of the structure would have facilitated the appointment of additional staff in order to strengthen the capacity of the department to reach out to all municipalities timely.

The issue of capacity in the province is as crucial before the intervention as it is during the implementation of the intervention. Any performance failure of a municipality that leads to intervention does not only reflect badly on the political leadership and senior management of the municipality. It also raises questions about the effectiveness and functionality of a cooperative governance system.

A functional IGR system, with the requisite skill and required capacity, can and will circumvent a resort to interventions. The invocation of this extreme type of support should strictly be in exceptional circumstances, with undisputed evidence that all proactive and initial remedial interventions did not yield intended results. The interventions in municipalities that arise as a result of the failure by the province to render effective support and monitoring have the potential to make Sections 139 interventions farcical.

5.5.2.2. The SALGA role

The South African Local Government Association (SALGA) is an employer association of municipal political leadership tasked primarily with the capacity building of its members, the councillors. The body is therefore an important role player in contributing towards building and achieving a local government that is accountable, efficient, effective and responsive. SALGA has a specific enviable role in building a credible leadership of municipalities as the point has been highlighted in this report that good governance starts with political leadership.

The report has already indicated how respondents feel about municipal political leadership in the two municipalities. The report of the AGSA (2012) further indicated that there is a direct relationship between hands-on, competent political leadership and the audit results. The organisation in the province has since not participated in the study given the reasons discussed in Chapter Four.

None of the respondents gave SALGA a positive appraisal on their role. Asked to comment on the role of SALGA on capacity building, the NT Director of MFMA Implementation in the FS province said:

> "There is no evidence that SALGA is carrying out this function. National Treasury has been receiving requests to train councillors. That indicates there is something that SALGA is not doing well" (Interview conducted on 30 January 2013, Pretoria).

The Director of Municipal Performance at FS Cogta charged the association of neglecting its core mandate, doing what Cogta is doing, therefore potentially creating unnecessary competition. This perception was echoed by the MM of the NLM, who said:

> "I think SALGA has missed its mandate, seeing itself as a super municipality. It must argue for improved equitable share, representation in the NCOP, better remuneration of councillors, etc. It must not duplicate what municipalities are doing" (Interview conducted on 23 January 2013, Bothaville).

The Price Waterhouse Coopers (PWC) released a report (2009:2) of the state of governance in the public sector in South Africa. In part, it reflected the arguments shared by many in this study:

> Good governance is essentially about effective leadership. Leaders need to define strategy, provide direction and establish the ethics and values that will influence and guide practices and behaviour with regard to sustainable performance.

The widely reported problems of municipal political leadership and the need to achieve effective leadership present a formidable challenge to SALGA to prove its worth. The ability of municipalities to achieve the desiderata of efficiency and democracy sustainably rests with the political leadership. That the remarks from the respondents about the employer association are so critical does not augur well about the organisation. There is thus an incontrovertible urgency for SALGA to address the weaknesses on the fundamentals of leadership in municipalities.

5.6. Intervention processes

5.6.1. The legislated process

It was earlier indicated that the lawmaking process intended for a comprehensive regulation of interventions is only at the Bill stage in terms of South Africa's government policy cycle. That means that interventions have been made on the basis of Section 139 (1) (b) of the

Constitution. Interventions can also be made according to Section 106 of the MSA if the municipality fails its statutory obligation or there are occurrences of malpractice, fraud, or corruption. A list of all municipalities placed under administration and the reasons for such interventions given to the researcher did not show that Section 106 of the MSA has been used as an intervention.

The intervention can also be imposed in terms of Section 136 and 137 of the MFMA if the problems in the municipality are of a financial nature. The section only discusses the processes associated with Section (139) (1) (b) type precisely because the two municipalities were subjected to this type of intervention. This is in spite of that fact that at least two respondents felt that the interventions should have been Section 139 (1) (c), which would have seen the total dissolution of municipal councils on the grounds that the situations in the two municipalities deteriorated precisely because of lack of oversight, leadership infighting in the NLM and general poor leadership.

While Section 139 (1) (a) and (c) are not discussed, the guidelines used in the implementation of these Sections emphasise that the three steps combined are a process: "The provincial executive cannot freely choose from these three steps. The three steps are a process, whereby the first step is the issuing of the directive" (Department of Provincial and Local Government, undated:17). Section 139 (1) (c) can be invoked right away, but on condition of a qualification of exceptional circumstances because interventions are not meant to erode the integrity of local government. The Executive Manager of IGR Coordination at national Cogta did not rule out the possibility of a "heavy-handed" intervention right away [Section 139 (1) (c)], but insisted that the basis for that would have to be really exceptional (Interview conducted on 11 December 2012, Pretoria).

5.6.2. The actual process of intervening in the two municipalities

The interventions in the two municipalities did not follow the three-step procedural process as outlined above. No directives were issued to the municipality by the MEC responsible for local government. During the interview with the Director of Municipal Performance at FS Cogta (Interview conducted on 12 April 2013, Bloemfontein), it was established that the political leadership of the MLM volunteered for intervention in terms of Section 137 of the MFMA because the problems were financial. Such a practice is permissible and is not at odds with the provisions of any law (Interview with the Executive Manager of IGR Coordination at national Cogta conducted on 11 December 2012, Pretoria).

It could not be established if there was any reply to the request of the MLM. However, months before the PEC decision, the provincial treasury was helping the municipality with the financial recovery plan, which is the requirement of the MFMA (2003:144) Section 137 (1) (c) (*i*). The similar support function was also given to the NLM, albeit these interventions did not bear fruits, according to the interview with the Acting Senior Manager of Municipal Budgets at FS Treasury (Interview conducted on 10 January 2013, Bloemfontein). Commenting on the worth of the recovery plans, the Director of MFMA Implementation said:

> "As with the case of patient-doctor relationships, it is not the doctor that goes to the patient. It is the patient that goes to the doctor... in the case of the two municipalities, we only came in when the two patients were already in the Intensive Care Unit (ICU)" (Interview conducted on 30 January 2013, Pretoria).

Even though the municipal leadership has a responsibility to request for help, the above analogy of a doctor-patient relationship is inconsistent with the imperatives of support, monitoring and oversight by the two spheres of government. Section 136 of the MFMA (2003:143) is instructive on the financial performance of a municipality: it enjoins the MEC responsible for local government to consult the mayor of a municipality to establish the facts and assess the seriousness of the financial problem. Consistent with the constant argument of the report that many actors are responsible for the performance of municipalities, the deterioration of the financial position of the municipality to precariousness suggests that those charged with diagnosis before *referral* to the ICU failed their task.

When it comes to the NLM, the EXCO noted the following, according to the FS Cogta memorandum submitted before the EXCO for ratification and approval:

- the council constantly fails to deal decisively with and resolve the issues that impede service delivery in the municipality;
- it has been the tendency of the administration of the municipality to reject support from the province, including failure to cooperate with the office of the Auditor General;
- the failure of the council to guide and take decisive steps through resolutions on management and the inability of councillors to cooperate on almost all matters completely undermines the administration of the municipality.

These are some of the historically prevalent issues that prompted EXCO to conclude that "there is no alternative to invoking Section 139 (1) (b) of the Constitution at this municipality". Evidence gathered from the respondents and documentary sources reveals that political leadership has always been the root of all problems in the NLM. While it is the spirit of interventions to promote mediation, according to the Executive Manager of IGR Coordination at national Cogta (Interview conducted on 11 December 2012, Pretoria), the EXCO's claim that there was no alternative to placing the municipality under Section 139 (1) (b) is not true. The permanence of political instability in the municipality warranted the escalation of the problems to be exceptional.

This point is advanced against the backdrop of confirmation by some respondents (*see Section 5.3.4 on Good governance and public participation, page 95*) that the instability continues post the intervention in the municipality and that the council failed to comply with the MFMA requirement to approve the budget at least thirty days before the start of the 2012/2013 financial year. The MM (Interview conducted on 23 January 2013, Bothaville) in the municipality and the NT Director of the MFMA Implementation (Interview conducted on 30 January 2013, Pretoria) conceded that there were petitions from some community members sent to the national government for another intervention. Given the political volatility prevalent in the municipal area, they did however caution that the petitions must be understood in that context, while not necessarily dismissing the content thereof altogether. Given these facts, the possibility of the PEC capitulating to political considerations may not be dismissed.

5.7. Stakeholders consulted

Guidelines (Department of Provincial and Local Government: undated) identify four stakeholders that must be notified by the EXCO on its decision to place municipalities under administration. The current Bill on intergovernmental monitoring, support and intervention identifies three stakeholders.

5.7.1. The minister responsible for local government

The guidelines provide that the minister should be notified within fourteen days after the notice of the assumption of responsibility has been issued. The MEC responsible for local government in the province notified the Minister on the seventh day of the assumption of responsibility from the date of the EXCO resolution, which was 08 December 2009. The guidelines (Department of Provincial and Local Government, undated) require that the

following be submitted to the Minister in order to inform his/her decision on whether to approve or disapprove the intervention:

- a copy of the notice of the intention to issue a directive;
- copies of representations, made by the municipal council in response to that notice;
- a copy of the directive that was issued;
- a copy of the notice of the intention to assume responsibility;
- copies of representations, made by the municipal council in response to that notice; and
- a copy of the notice of the assumption of responsibility.

All these were not submitted for it was indicated earlier that the provincial executive did not follow the three-step process as encouraged by the spirit of cooperative governance. During the validation phase, three officials in the provincial office of Cogta, including that of the MEC, confirmed that there were no notices sent to the municipal councils. Municipalities could not therefore submit representations on the decision of the PEC. This means that nothing was submitted to the Minister on substantive requirements as well. It was confirmed during the interview with the Executive Manager of IGR Coordination at national Cogta (Interview conducted on 11 December 2012, Pretoria) that some provinces go ahead with interventions whether they have received the Minister's reply or not.

The PEC, according to the letter sent to the minister, only sent what is contained in the following sentence: "A copy of the memorandum to the Free State Provincial Legislature, and Resolution 2.1 of 8 December 2009 are attached for your attention".

The minister is supposed to approve the intervention within twenty eight days after it began. This could not be verified by documentary proof nor through interviews. The interventions in the two municipalities showed some procedural breaches that could expose the process to subversion if the practice continues.

5.7.2. The NCOP

The guidelines (Department of Provincial and Local Government: undated) and the Bill (Cogta, 2012) do not specify the exact time that the NCOP must be notified. The letters that the researcher accessed show that the MEC for local government in the FS province notified both the NCOP and the Minister on the same date. All other procedural and substantive requirements must be submitted to the NCOP in order to inform its decision. The PEC must

also submit the intervention business plan to the NCOP. It could not be established if there were any business plans for interventions in the two municipalities.

The NCOP has six months to approve or reject the intervention. The guidelines do acknowledge that the NCOP has a limited role to play, which is mainly to guard a system of checks and balances in order to promote the integrity and efficiency of the intervention process.

The relationship between the Minister and the NCOP regarding the decision-making is not clearly defined. Even the current Bill does not provide counsel, for instance, if the NCOP can overrule the decision of the Minister. It is given the review powers to terminate the intervention, yet it is emphasised that it can only make non-binding recommendations to the PEC regarding the implementation of the intervention. For instance, the NCOP conducted oversight visits to both the MLM and the NLM. On the NLM, the administrator reported that the Committee advised that the intervention should end on 30 June 2010.

The intervention only ended a year later, on 30 June 2011. It could be that there were a number of performance issues that extended the intervention beyond the recommended termination period by the NCOP. That information could not be obtained during data collection. It is always in the best interest of policy implementation for a policy to be formulated in a way that promotes common understanding by different stakeholders, or what Frodin (2011) terms the transaction domain. This would help to avoid or minimise delaying disputes on possible different interpretations.

5.7.3. The provincial legislature

The notification to the provincial legislature is done solely to satisfy Section 133 of the Constitution, which states that provincial executives are accountable to provincial legislatures. It could not be established if the provincial legislature was notified. This process is dispensable as the provincial legislature could always interact with the PEC decision as part of an ordinary constitutional mandate of oversight.

5.7.4. SALGA

The employer association does not have much of a role to play regarding interventions. The guidelines merely say the MEC ***may*** send a copy of notice to the body in order to promote good practice. The MEC is not obliged to notify SALGA on the reasons and aims of the interventions. The current Bill on intergovernmental monitoring, oversight and interventions does not make any mention of SALGA when identifying parties that must be consulted.

The exclusion of SALGA from the parties that must be consulted is a tacit indictment on the employer association. This looming exclusion may express a view that many public policy stakeholders have towards the organisation, represented by the sample of the respondents in this study. It remains to be seen if the organisation will be able to fight for its rightful space in the interventions' processes.

5.8. Public participation

Public participation is an important element of good governance and a bedrock of democracy. It is both a pillar and a goal of the DLG. Ideally, nothing should happen in a municipality without the involvement of the affected community. The guidelines on interventions are not explicit on the imperative of consultation with communities regarding the decision to assume a responsibility in a municipality. They only mention that part of the substantive requirements that should be submitted to the Minister and the NCOP should be the minutes of public hearings held by the province, copies of relevant complaints, letters and petitions that reached the provincial executive. All these are not prerequisites and none was submitted concerning the interventions in the two municipalities.

The question on citizen engagement in interventions processes produced mixed reactions from the respondents. The Executive Manager of IGR Coordination at national Cogta (Interview conducted on 11 December 2012, Pretoria) cautioned that there is a thin line between inclusive public participation and the one that is aggressive and confrontational. This view suggests that the invited space to discuss the core issues of intervention may be 'hijacked' by some to pursue their own interests. This caution is consistent with what Fukuyama (1999) calls "rent-seeking", which is capable of distorting public policy or generating a deadlock. In order to mitigate this risk, the Executive Manager of IGR Coordination at national Cogta suggested that public participation in the context of interventions should rather focus on a deliberate search for retired professionals to help a municipality turn around (Interview conducted on 11 December 2012, Pretoria).

Some feel that the NCOP consultative process suffices. Commenting on public participation in interventions, the Manager of IGR Support at national Cogta said:

> "You want to move forward. Debate on the Bill focused on how much of public participation is needed. Because of the mere fact that it gets announced over the media, an assumption is made that the public is consulted" (Interview conducted on 11 December 2012, Pretoria).

This view was supported by the NLM MM, who felt that the presentation of annual report on performance to the public should ordinarily inform the community of government decisions (Interview conducted on 23 January 2013, Bothaville). This attitude is ideal in a situation where the culture of civic duty is cultivated. It is certainly debatable if the mere publication of the government decision in the local newspaper can mobilise enthusiastic public participation and interface with public decisions. The current Bill makes a slight improvement by enforcing that the notice of intervention must be published in "at least one newspaper circulating in the municipality" (Cogta, 2012: 86). Mathekga & Buccus (undated:12) argue that the limited inclusion of communities, as suggested by these respondents, partly account for the stalemate in the system of local government, thus reducing the political capacity of a municipality to respond to public demands.

On the other hand, the Director of Municipal Performance at FS Cogta (Interview conducted on 12 April 2013, Bloemfontein) and the former union leader in the MLM (Interview conducted on 11 January 2013, Bloemfontein) questioned the authenticity of the NCOP space for meaningful engagement. They both argued that this is narrowed to ward committees and that these committees are not always fully representative of the broader community interests as they are deliberately politically managed. The MLM MM argued strongly that the community should be properly enrolled on the details of the intervention so that they take ownership, which may contribute significantly towards public monitoring and oversight of the progress or lack thereof (Interview conducted on 14 December 2012, Theunissen). These views are consistent with Kondlo's (2011) that community participation must be real, and not only symbolic, if public policy is to yield results.

Democracy is a function of "endless debate" (Friedman: 2010). There will therefore always be a discussion about how much public participation is needed for whichever purpose. Like some of the respondents said, public participation is a complex process, amenable to the risk of rent-seeking. It may not necessarily cure all the problems prevalent with legitimacy. However, it is not only constitutional to consult the community on the decisions that affect their lives on a daily basis. Engaging the people is a moral imperative.

A lot of research has exposed serious flaws in the implementation of public participation policies. The mere publication of the notice of intervention in a local newspaper somewhat perpetuates the arrogance that Cogta in 2009 apportioned to councillors. The government has a responsibility to consciously mobilise communities behind its programs. Interventions are

meant ultimately to benefit the recipient of a service. It is therefore only moral that a payer and receiver of service should be consulted on this important policy.

5.9. Influential factors on intervention outcomes

5.9.1. The administrator

5.9.1.1. Skills, experience and competency

The guidelines and the current Bill provide for the appointment of the administrator to represent the PEC in assuming a responsibility in a municipality. The administrator is responsible for fulfilling the executive obligation assumed by the PEC and to ensure that the specific service and other services will be fulfilled in the future. Their role is to achieve lasting solutions to a problem or set of problems bedevilling a municipality. From this vantage point, interventions must therefore deal with root causes instead of treating symptoms (Interview with the Director of Municipal Performance conducted on 12 April 2013, Bloemfontein).

Either a natural person or group of people or an institution can be appointed as an administrator. Only one natural person was appointed per municipality in the two cases. The person appointed as an administrator in the MLM was the FS Cogta official, who also had experience as the Mayor/Speaker of a plenary municipality. In the NLM, the official from Mangaung Metro was appointed as the administrator. The administrator plays a highly crucial role towards the outcome of intervention despite the fact that they have not been subjected to performance evaluation in the past. It is only now that the current Bill (Cogta, 2012:94) introduces performance evaluation as part of the terms of administrator's appointment.

Respondents felt that only individuals with local government experience should be appointed as administrators given the dynamism and complexity of the sector. The MLM MM (Interview conducted on 14 December 2012, Theunissen) said a properly qualified administrator who does not have municipal experience may only achieve minimal results. This was echoed by the Director of Municipal Performance, who said, after a short laughter to the question of an ideal administrator:

> "You need an independent thinker. He must stick to the book. He must say no to politicians and administration in the municipality. He must be a driver of what he sets out to do" (Interview conducted on 12 April 2013, Bloemfontein).

The NT Director of MFMA Implementation said that the nature of intervention should inform the type of a person who will be deployed (Interview conducted on 30 January 2013, Pretoria). A financially skilled and competent administrator must be appointed if a problem that initiated intervention is financial in nature. The worsening of the financial position of the NLM may suggest that the individual appointed as the administrator was not financially skilled. At the beginning of the intervention, the debtors' book of the municipality amounted to R177.4m. It increased to R200m at the end of intervention.

This report has emphasised the relationship between the leadership and performance results. One cannot therefore overemphasise the importance of the role of the administrator as a leader. For Mandela (1995:627), leaders must know that "there are times when a leader must move out ahead of the flock, go off in a new direction, confident that he is leading his people the right way". The appointment of an administrator must look beyond professional skills and experience because a municipality must, indeed, move in a new direction to achieve the desired, sustainable good governance. Attention must be paid to the leadership ability of the candidate if things such as poor work ethic, as was the case in the two municipalities, should be turned around.

5.9.1.2. The administrator's relations with municipal officials

The administrator inherits a team comprising of multiple stakeholders that he or she must work with. These are politicians, senior management, officials, union leaders and to a lesser extent, community members. The administrator also has a direct relationship with the PEC in the implementation of the intervention. How he relates with each stakeholder and manages to facilitate the unity of purpose may become an important determinant of the intervention outcome, particularly in the NLM situation where polarisation permeated the institution across all levels.

According to the Director of Municipal Performance at FS Cogta, the actors in the MLM initially welcomed the intervention enthusiastically because they expected that it would help with the mobilisation of financial resources (Interview conducted on 12 April 2013, Bloemfontein). Over a period, the cooperation declined as the administrator failed to secure the municipality the money they needed. The handover report of the administrator cited that the former MM at the time of intervention did not cooperate. The former union leader also commented that senior managers mobilised the workers against the administrators as they could no longer do what they used to do prior to intervention. They deliberately "sabotaged"

the efforts of the administrator (Interview with the former union leader in the MLM conducted on 08 January 2013, Bloemfontein). In the interview with the Acting Senior Manager of Municipal Budgets FS Treasury, the researcher learnt that acts of sabotage are common as municipalities tend to view interventions as policing (Interview conducted on 10 January 2013).

In the NLM, the administrator was caught in-between the permanent factions that survived even the intervention. The newly appointed MM said the Mayor was shocked when he started to receive weekly reports as he was not used to that kind of practice during the intervention (Interview conducted on 23 January 2013, Bothaville).

The respondents questioned the wisdom of retaining the failed leadership of a municipality, particularly senior management, during intervention. The Manager of IGR Support mentioned that Cogta is fully aware that some officials tend to frustrate interventions by not availing the required information (Interview conducted on 11 December 2012, Pretoria). The NLM MM confirmed acts of sabotage in the NLM during the intervention as the then MM had more influence over staff than the administrator (Interview conducted on 23 January 2013, Bothaville). The same situation happened in the MLM as already indicated earlier by the former union leader. These situations confirm arguments made in Chapter Three that networks are not inherently useful and that they must be carefully managed.

The guidelines make an important observation about the interventions. "The initiation of the procedure alone indicates that there are serious problems with regard to a municipality in that province..." (Department of the Provincial and Local Government, undated:25). This alone should be an indicator that political leadership and senior management have failed their respective and joint responsibilities in the context of a performance management system. It is in keeping with good practice that the decision makers and policy implementers should be held answerable for their actions or inactions. The first step of the intervention, in this regard, would be to call those responsible for a service to account for failure to execute policies. Most respondents recommended that the senior management of a municipality should not be retained upon assumption of intervention and this view is certainly logical.

5.9.2. The duration

The PEC has the discretion to determine the duration and extent of an intervention. The duration may be extended subject to the progress reports of the administrator, but only if the prospects of recovery are dilatory. Both the guidelines and the Bill state that the notice of

assumption of responsibility should specify the expected period for which the MEC is assuming a responsibility. Contrary to these provisions, the notices of intervention in the two municipalities did not specify the expected period. The PEC minutes are recorded as follows: "This intervention will end as soon as the Executive Council is satisfied that the council is ready and able to perform these duties, obligations and functions".

The interventions in the two municipalities ran from 08 December 2009 to 30 June 2011 in terms of the formal PEC Resolution dated June 2011. However, the actual withdrawal of administrators was only actualised at the end of September 2011. It means that interventions ran for exactly twenty one months.

The NLM MM, who was the administrator at the MLM, wished he could have stayed longer in the municipality in order to stabilise the environment and get some systems in place (Interview conducted on 23 January 2013, Bothaville). This amounts to an admission that the intervention did not fully address all the aspects the administrator had to deal with. Most interventions throughout the country have lasted eighteen months on average.[10]

Interventions should be treated as projects with a definite predetermined end date. The Kwazulu-Natal province leads by example in this regard. While the Bill deserves credit for the introduction of a performance evaluation of the administrator, it is an indictment that it imagines a performance framework that lacks specific timeframe. Intervention should be understood in the context of project management principles, of which time is one of the important variables in running any successful project. It is not the best practice to give administrators a 'blank cheque' on their appointment.

Specifying timeframes is important given a number of actors involved in the policy implementation. Policy outcomes involving a number of stakeholders largely hinge on human factors i.e. attitudes, interests, etc. There is nothing that rules out the possibility that administrators may not exploit the open-ended term to delay progress, especially if they develop some interests along the way. Like the political leadership and senior managers in a municipality, administrators are not immune from narrow interests.

During interventions, administrators are certainly influential actors. Sorenson & Torfing (2009:235) observe that there is no guarantee that influential actors in meta-governance

[10] The calculation of a period of interventions was done using the list of all municipalities placed under administration listed in Chapter Two. The National Office of Cogta identified the root causes for each intervention and duration of interventions.

networks will not be engaged in political conflicts and power struggles. Actors "may seek to exploit their privileged position to pursue particularistic interests" (Sorenson & Torfing, 2009:235). A Specification of time frames will be in line with the Outcomes Based Approach (2010) and the National Evaluation and Performance Framework (2011) introduced by the fourth democratic administration.

5.9.3. Human and financial resources

The interventions require human and financial resources to be successful. The common practice is to deploy a single natural person to a municipality. The history of sabotage as reported earlier may have to change this approach going into the future. The respondents from National and Provincial Cogta confirmed capacity constraints regarding staff establishment as the WPLG did not anticipate that local government would be stuck in an almost permanent mode of crisis. Nationally, there are only two people assigned to deal directly with interventions (Interview with the Executive Manager of IGR Coordination at National Cogta conducted on 11 December 2012, Pretoria). In the province, there is not a single person assigned to offer support to administrators (Interview with the Director of Municipal Performance at FS Cogta on 12 April 2013, Bloemfontein).

The Manager of IGR Support (Interview conducted on 11 December 2012, Pretoria) revealed that the interventions are very costly, although there was no quantification. Despite this huge cost, the Director of Municipal Performance at FS Cogta said there is no dedicated budget to support the policy implementation (Interview conducted on 12 April 2013, Bloemfontein). The Bill dedicates at least a whole section that emphasises that a municipality is responsible for the cost of intervention. Before this section, the Bill stresses at least eight times that funds and human resources needed for the intervention shall be accrued by the municipality. The emphasis that municipalities must carry the cost of interventions misses an important analysis of the economy of each municipality. Some municipalities are desolate.

Money will not always be the decisive factor in determining policy outcome. Ramphele (2008) believes that the scarcity of money is not a problem on policy performance in South Africa, relative to other African states. It is the management and (mis)use of resources that impact on outcomes of a policy. The Director of Municipal Performance at FS Cogta seemed to be supporting this view. During the interview, he pointed out that part of the problems in the two municipalities that affected service delivery was the low spending of the MIG allocation and possible corruption, not lack of resources (Interview conducted on 12 April

2013, Bloemfontein). The interventions therefore had to address deep-seated issues that affected the under-spending of the grant.

It is risky for policy makers to apply a blanket approach to all situations. The Literature Review Chapter indicated how some municipalities are condemned to perpetual non-viability as a result of socio-economic conditions. Interventions in municipalities should take into account such factors that explain municipal poor performance on revenue as an example. Each case must be treated on its own merits. The blanket approach that expects municipalities to fund the interventions is inconsistent with the intention of the LGTAS and Outcome 9 Delivery Agreement that call for a clearly differentiated approach. Frodin (2011) also cautions policy makers against putting their trust on context independent policy solutions.

5.9.4. Skills and capacity in a municipality

It has been argued in the report that the performance of municipalities is essentially a function of human resource. None of the respondents could vouch that the two municipalities are properly staffed and capacitated politically and administratively. The handover report of the MLM Administrator reported that there was a lack of skills and capacity in the finance section, while the new MM (Interview conducted on 14 December 2012, Theunissen) confirmed similar challenges in the infrastructure department. On LED, the municipality continues to function without a dedicated unit. No single appointment of senior managers was done during the intervention, leaving the municipality to function with only one full time senior manager following suspensions of two senior managers and the lapse of the contract of the then MM. Except for the administrator, municipality largely operated without administrative leadership during intervention.

The administrator of the NLM reported that the municipality did not have resident capacity to manage infrastructure projects despite the appointment of some individuals. The Director of MFMA Implementation at National Treasury (Interview conducted on 30 January 2013, Pretoria) felt that the municipality did not have a small measure of internal capacity to turn around its precarious financial position. The new MM did not have confidence in LED appointments, while the municipality continued to function without the CFO, notwithstanding the intervention (Interview conducted on 23 January 2013, Bothaville). The Acting Senior Manager of Municipal Budgets at FS Treasury (Interview conducted on 10 January 2013, Bloemfontein) and the Director of Municipal Performance at FS Cogta (Interview conducted on 12 April 2013, Bloemfontein) agreed that the two municipalities could have the required

capacity but if only the waters were not muddied by the primacy of politics in municipalities, particularly in the NLM.

5.9.5. Socio-economic conditions

Municipal performance is influenced by both systemic and structural factors (Pycroft: 2000). Interventions must therefore always be sensitive to the social and economic realities of municipalities. Asked whether the interventions in the two municipalities achieved their aims, the Manager of IGR Support at national Cogta commented:

> "There are many municipalities in the Free State in which you can do as many interventions as you possibly can but will not turn around because of socio-economic conditions" (Interview conducted on 11 December 2012, Pretoria).

Chapter Two of the report showed that the two municipalities are classified as vulnerable. According to Census 2011, only 11366 out of a total of 63334 individuals are employed in MLM, accounting for only 20% employment that must together with businesses and government departments constitute the revenue base for the municipality. In NLM, only 15729 individuals are employed out of 81220, accounting for 19.4% of all employed people in the municipality.

The challenge of raising revenue is further hampered by the fact that both the two municipalities are collecting below 50% of their projected income (Interview with the Acting Senior Manager of Municipal Budgets at FS Treasury conducted on 10 January 2013, Bloemfontein). In the NLM, there was also a challenge of lack of or improper billing, confirmed by the Director of Municipal Performance at FS Cogta (Interview conducted on 12 April 2013, Bloemfontein) and Acting Senior Manager of Municipal Budgets at FS Treasury (Interview conducted on 10 January 2013, Bloemfontein). The municipality is therefore basically collecting way below what it needs in order to fund its own development projects and programmes.

The cash flow positions of the two municipalities are furthermore exasperated by lower MIG allocation and decline in population from census 2001, which affects the equitable share as central government uses population index as an input for equitable share. Table 5.2 below indicates that the NLM Equitable Share will be declining in the next three financial years, while that of the MLM will be marginally increasing. The decline in Equitable Share in the NLM could further slow down the delivery of services in the municipality as it may struggle to fund its own programmes, especially if current under-collection continues.

Table 5.2: The MTEF Equitable share allocation to Lejweleputswa municipalities (R' 000)

	2013/2014 Financial Year	2014/2015 Financial Year	2015/2016 Financial Year
B FS 181 Masilonyana	82 581	84 684	87 776
BFS 182 Tokologo	43 518	43 813	44 497
BFS 183 Tswelopele	61 909	61 962	62 134
BFS 184 Matjhabeng	424 920	415 397	399 963
BFS 185 Nala	130 670	126 013	120 179
CDC 18 Lejweleputswa District Municipality	100 936	105 052	111 194
Total: Lejweleputswa Municipalities	844 534	836 921	825 743

Source: National Treasury (2013)

It has become a practice in the two municipalities and many others that struggle with revenue, to use equitable share and grant-specific allocations to fund operations with national transfers. Over the years, the two municipalities have become grant-dependent on national government. At the time of the termination of interventions in the two municipalities, the hand-over reports of administrators indicated that the MLM needed a dedicated R20m to complete outstanding bucket eradication projects whose funds had long been exhausted while the NLM needed R81.6m to correct the improper sewer network. The current collection rate coupled with the history of the two municipalities to rely on grants to fund operations does not inspire confidence that they may be financially viable soon. It could be for this reason that all the respondents in the province are advocating for the tampering of demarcation of the MLM and the de-establishment of the NLM.

5.10. The effects of interventions in the two municipalities

The interventions produced relative successes in the two municipalities mainly in increasing the MIG spending as it was one of the objectives. Financially, the MLM seemed to have improved marginally, having settled its major creditors like Eskom and the Valuer at the end of the intervention. Almost a year after the intervention, the municipality had also settled the account of the AGSA.

At the time of writing the report, albeit after months following the intervention, the municipality had appointed three senior managers. Only the appointment of the LED director was still outstanding. The municipality acted on the findings of the forensic report and suspended the officials that were found guilty. The process of introducing systems and updating policies has started in earnest. The intervention seemed to have achieved some of its aims in the MLM, although the change management process to instil work ethic will take some time.

The old problem of instability in the NLM survived the intervention. Instability continues to harm the desired functionality of the municipality. The election of mainly new councillors in 2011 did not end the entrenchment of divisions in the municipality. This was evident as the municipality failed to comply with the legislative requirement to pass the IDP and adopt the budget at a prescribed period. The problems of ill-discipline in the finance department continue almost unabated.

The report of the administrator decried the culture of making lofty promises which are not followed up with action. The report strongly proposed that the tendency needed to be stopped. It was notably worrying that this problematic tendency is so institutionalised that it is even practiced by senior leadership. Unless effectively dealt with, it will ultimately exacerbate the already low work ethic and integrity of everyone in the institution. Finally, some officials implicated in corruption and fraud incidents have been criminally charged, with one already successfully convicted.

The National Treasury public communication of its intention to stop transfers of grants to the NLM did not auger well for the outcomes of the intervention. Financially, the intervention did not assist the municipality. That the municipality could not be audited for the entire duration of the intervention leads to a conclusion that the intervention failed to address problems of record management.

In the final analysis, the study cannot draw definitive conclusions on whether interventions worked or not. There are obviously visible improvements on some areas, while others either remained unchanged or worsened. In both the two cases, the policy networks were not as cohesive as it would be desired. Comparatively, the network was better integrated in the MLM because of the unity of political leadership. The political tensions in the NLM did not bode well for the network performance and this may explain the rather undesirable intervention outcomes in the municipality.

The findings on the characteristics of the policy networks in the two municipalities are consistent with the studies referred to in the report. The better the network integration and resource dependency, the greater the chances of better policy performance and better policy outcomes. These were evident in the MLM, despite sporadic glitches as already reported. The NLM network properties reflected the almost exact contrast of the network in the MLM at horizontal level. In both cases, the vertical component of the networks was not as strong as required because of the limited resources available at provincial level.

5.11. Conclusion

The chapter presented the results of the study according to the various themes identified. Specific conditions that triggered interventions in each of the two municipalities were presented and discussed. It was found that the process followed in implementing the interventions in the two municipalities did not entirely follow the prescribed procedure. During implementation of the interventions, there are a number of factors that influence the outcomes of the policy. Notably, the network density and the nature of relationships in each network are the key determinants of the policy outcomes.

The invocation of Section 139 (1) (a) of the RSA Constitution does not automatically improve the performance of a municipality. There are a number of factors that policy makers must observe that influence the outcomes of the policy implementation. The study found out that there were minimal improvements on some aspects that necessitated the interventions in the two municipalities. Comparatively, the intervention in the MLM seemed to have produced better results compared to the NLM. The question of whether lasting solutions were achieved can only be measured in a longer period.

Chapter Six: Conclusion and Recommendations

Conclusion and Recommendations

6.1. Introduction

The study was an exploratory qualitative research aimed at finding out if the invocation of Section 139 (1) (b) of the Constitution, which is the assumption of the executive obligation in a municipality if the province deems fit to do so, does produce the intended results. The study focused on the cases of the Masilonyana and Nala Local Municipalities in the Lejweleputswa Region of the Free State province. In part, the choice of the two cases was influenced by the almost similar characteristics found in the two municipalities, including, amongst others, the almost same size of these two municipalities as well as the equal duration of interventions. The details were listed in Chapter Four of the report.

The main finding of the study is that the intervention in a municipality does not necessarily lead to improved performance on service delivery. There are a number of important factors, discussed in Chapter Five that influence the results of interventions. It should be borne in mind that this study was by no means a comprehensive study of the policy of interventions in municipalities. The recommendations that are made should therefore be understood in the context of a comparative case analysis of the two municipalities. Further, the recommendations should be understood in the light of the fact that policy has already been terminated in the specific two municipalities. As a result, the recommendations will largely be applicable to the provincial and national spheres of government since the implementation of the policy lies with these spheres. The study does not therefore rule out a potential generalisability of the recommendations in future interventions elsewhere.

This chapter concludes the report by reviewing the main themes dealt with in Chapter Five in the presentation of the results. Each theme is concluded with a recommendation on aspects that authorities may want to consider on similar future decisions affecting interventions in municipalities.

6.2. The process of interventions in municipalities

The interventions in municipalities have to date depended mainly on the provisions of the RSA Constitution. It is only now that Parliament is in the process of formulating the law that will henceforth regulate the interventions in order to facilitate uniformity which has been starkly missing. The processes of interventions have been inconsistent and this could be attributable to the absence of binding law that details the process. For instance, while it is expected that the national minister must approve the PEC decision to intervene in a municipality, records confirming the minister's approval in the two municipalities could not be traced.

The study also found that a province like Kwazulu-Natal proceeds with interventions without having to wait for approval by the national government. Furthermore, the interventions have not been following the three-step process as suggested by the guidelines. The seeming carte blanche with which each province deems fit to handle its process of interventions may expose a very good policy to abuse.

6.2.1 Recommendation

The law needs to emphasise adherence to the three steps of the process of intervention in order to guard the integrity of the policy, unless the incontrovertibility of exceptional circumstances warranting deviation can be proven. In addition, no intervention must become effective unless written consent by the minister has been forwarded to the MEC in the province, organised body of local government in the province and the affected municipality.

6.3. The assumption of a specific obligation

The functions of a municipality are broadly categorised into five broad key performance areas as discussed in Chapters Two and Five. The report has argued that in practice, it is very difficult to distinguish the boundaries of an obligation assumed by the province in a municipality from others. The difficulty to draw this distinction results in the differences of opinion between the administrator and other stakeholders in the Council concerning the powers of the administrator. This was the case in the MLM. The disagreement can be exacerbated further by human factors such as whether the council's approval of the intervention is enthusiastic or grudging. It is the differences around domain consensus that may adversely affect the performance of the policy network and therefore render policy implementation problematic.

6.3.1. Recommendation

Consistent with the observation that a mere initiation of the process of intervention points to a serious problem in the municipality, the administrator should be allowed to take total control of all functions in order to mitigate the risk of power struggles and facilitate the optimisation of the desired intervention results.

6.4. Affected stakeholders

The processes of interventions to date have only made consultation with the national minister and the NCOP compulsory. Provincial legislature must also be notified, although it is not clear what its role is. The law does not enforce consultation with SALGA and the affected community. The assumption of an executive obligation in a municipality is primarily an executive function and does not involve oversight structures. For this reason, both the NCOP and the provincial legislature should be briefed on all executive decisions during the scheduled sessions where departments appear before parliamentary committees.

6.4.1. Recommendation

The final law must make consultation with SALGA and the community on both ends of the intervention mandatory. Alternatively, SALGA can be consulted at the initiation of the process of intervention. The community must become the ultimate evaluators whether the intervention achieves its stated objectives or not; there should not be termination without consultation with the community.

6.5. The administrator

The deployment of the administrator in the form of a natural person to a municipality has proven to have some inherent weaknesses that should be managed going into the future. To date, there has not been known competency requirements that candidates needed to possess. The commitment to evaluate the performance of the administrator has been lacking, therefore risking a possibility of lacklustre performance.

While the administrator could be sufficiently competent in carrying out the mandate determined by the PEC, factors such as workplace environment and the nature of the team he or she inherits have a vital influence on the outcomes of the intervention. This reality poses a challenge on the potential of the intervention to achieve the desired outcomes.

6.5.1. Recommendations

(a). There should be minimum competency requirements set for the appointment of an administrator.

(b). In light of deliberate acts of sabotage by municipal officials, the administrator should be deployed together with a team of experts that will become his/her primary support stuff.

(c). There should be a clear performance target set for the administrator, including a fixed duration in which a situation that prompted intervention must be turned around or at least significantly reduced.

(d). Possibilities of ejecting senior management that presided over the collapse of a municipality, subject to applicable labour laws of the Republic, should be explored as part of the terms of reference for the administrator.

6.6. The socio-economic conditions of municipalities

The current Bill before Parliament states unequivocally that the cost of interventions must be the responsibility of a municipality. On the other hand, municipalities expect that interventions will mainly help them with financial injection in order for them to offset their debts and other financial responsibilities. This was at least the expectation of the two municipalities which are subjects of the investigation in this report. In Chapter Two, the report argued that there will always be a relationship between the socio-economic conditions of municipalities and their performance. Municipalities are expected to raise revenue in order to fund their operations, maintain infrastructure and invest in developments.

The high levels of poverty and unemployment shrink the revenue base of municipalities. In this context, an expectation that each municipality must carry the cost of intervention is somewhat inconsistent with the foundational philosophy of the LGTAS, which calls for a differentiated approach to local government. Sections 139 interventions must also appreciate the structural features of each municipality.

6.6.1. Recommendation

The decision on who carries the cost of intervention should be informed by an appreciation of the socio-economic conditions of each municipality, instead of the traditional one-size-fits-all approach.

6.7. Possible future research

This exploratory study has found that interventions in municipalities are now becoming common in RSA given the number of service delivery problems affecting municipalities. The study also found glaring inconsistencies in the application of policy. There is no full compliance with lawful procedures. Richer provinces seem to be allowed some degree of impunity to act as they deem things to be fit in oblivion of the prescripts of the law.

Further research focusing on a bigger sample or on all interventions since the advent of a policy may get closer to determining the worth and merit of a policy. It could also be helpful to do a comparative study focusing on interventions in municipalities across countries. In the light of the fact that the study focused on municipalities that have just come out of interventions, which was 30 September 2011, it is possible to do a similar study in the same municipalities after a considerably longer period in order to draw concrete conclusions on whether the policy produced lasting solutions as intended or not. This is important as Chapter Two of the report indicated that some municipalities have been placed under administration repeatedly.

6.8. Final conclusion

This chapter presented recommendations on the basis of findings discussed in the previous chapter. The study found out that the policy of interventions in municipalities does not guarantee positive outcomes. There is a lot of complexity and dynamism at play in local government. This means that any considered attempt to gain insight into functionality of municipalities cannot be found in linearity. The relationship between the administrator and the municipal officials and the relationships between the municipal staff themselves hold the key in determining the success of the policy of interventions. The achievement of the effectively integrated networks must be among the strategic focuses of the policy actors relevant in the local government.

This study was only exploratory and therefore does not present any definitive conclusion. It is hoped that it will lay the basis for future possible research with a much more expanded scope of sample and focus. The future possible research may also investigate of types interventions not explored in this study, although minimal reference had been made. Such an expanded scope may further cover the politics of the decisions to intervene and ignore interventions in some areas where there is high political premium invested.

At this stage, there is a relative compelling case for the continuation of the policy of interventions in municipalities. However, the worth of the policy will only be determined by the ongoing evaluation of all interventions. Further scientific studies will produce a decisive benefit for the policy. Furthermore, the study has also highlighted the challenges of monitoring, support and oversight of provinces in municipalities even before the intervention. Interventions will only be palliatives if provinces as supervisory structures do not urgently and significantly improve their agency.

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http://www.statssa.gov.za/publications/statsdownload.asp?PPN=P0211&SCH=5518

http://www.treasury.gov.za/legislation/acts/2013/Division%20of%20Revenue%20Act,%202013%20(Act%20No.%202%20of%202013).pdf

http://www.treasury.gov.za/comm_media/press/2013/2013011801.pdf

Appendices

Appendix 1: List of government acts, policies and reports

Delivery Agreement for Outcome 9 (The Presidency, 2010)

Division of Revenue Act (2013)

FS Cogta Annual Report for 2011/2012 financial year

FS Cogta Annual Report for 2010/2011 financial year

Intergovernmental Monitoring, Support and Intervention Bill (Cogta, 2013)

Intergovernmental Relations Framework Act (13 of 2005)

Intervening in Provinces and Municipalities: Guidelines for the application of Sections 100 and 139 of the Constitution (Department of Provincial and Local Government)

Local Government: Municipal Demarcation Act (27 of 1998)

Local Government: Municipal Finance Management Act (56 0f 2003)

Local Government: Municipal Structures Act (117 of 1998)

Local Government: Municipal Systems Act (32 of 2000)

Local Government Turn-Around Strategy (Cogta, 2009)

Provincial Integrated Development Planning Report (FS Cogta, 2012)

The Constitution of the Republic of South Africa (Act 108 of 1996)

The National Development Plan: Draft (2011)

The National Evaluation Policy Framework (2011)

The Outcome-based Policy Approach (2010)

State of Local Government in South Africa: Overview report on the national state of local government assessment (Cogta, 2009)

The White Paper on Local Government (1998)

Appendix 2: Interview guide

Introduction and warm up

Background: I introduce myself and what I do. I thank the interviewee for having confirmed and honoured our appointment and taking interest in the study. I confirm what he/she does and afford him/her the opportunity to introduce themselves as well.

Warm up: I briefly explain the purpose of the interview in reference to the research proposal that I sent to all prospective respondents. I confirm that the proposal has been successfully defended by the panel comprising of the degree convener and the supervisor. I state it that the interview will be semi-structured and that it will be recorded. I remind the interviewee of my ethical commitments and the fact that they are not obliged to answer questions. I request that we conduct the interview in English language to avoid possible loss of meaning in translation. I state that questions are open-ended and state the estimated time.

Interview topics and questions

What were the reasons that caused the MLM and the NLM to be placed under administration?

How have the two municipalities been performing?

Were there other options preferred to placing municipalities under administration? **Prompts**: what were they? Did they produce any results?

At what point does the province intervene? **Prompts**: relationship of performance with AGSA reports; oversight detection of weaknesses; service delivery protests.

What is the performance culture of the two municipalities?

What do you make of the political leadership in the MLM and NLM? **Prompts**: their level of skill and qualification; type of workplace climate cultivated by the political leadership; ability to oversee management and understand reports.

How would you characterise the socio-economic conditions of the two municipalities? **Prompts**: do they help a municipality realise the ideal of financial viability? Is senior leadership geographically accessible to citizens?

What was the role of the province before the intervention? **Prompts**: did provincial Cogta and treasury detect problems early and what was their response?

What did interventions seek to achieve? **Prompts**: do they only address the specific service assumed by the province? Can they serve as early warning mechanisms for possible risks beyond the service that initiated the intervention process?

What is the difference between intervention in terms of Section 139 (1) (b) and Section 139 (1) (c)? **Prompts**: if part of NLMs problems has been the Council failure to adopt IDP and pass budget, why was it not subjected to Section 139 (1) (c)?

What is your response to perceptions that provinces are not adequately skilled and capacitated to carry out their oversight responsibility?

What is the role of SALGA? **Prompts**: did it try to do anything when problems were first identified? What is its relationship with Cogta and Treasury? What is its role during and post the intervention?

What kind of a person should be deployed as the administrator? **Prompts**: does the role of the administrator matter? Do you deploy one person or a group?

What do you think of the period of intervention?

What are the results of these interventions? **Prompts**: what are the signposts?

Will you, in future, recommend this type of intervention?