

ABSTRACT

The primary question of this research report is: *'Why has the current service delivery model not enabled the government to meet its social obligations?'* The South African government has a vision of establishing a democratic developmental state that would enable it to effectively address the social conditions of the masses of the people and realise economic progress for the poor.

This study attempts to assess the service delivery process at the local government level to establish the factors that are contributing to the current service delivery model not enabling the government to meet its strategic intention. The analysis focuses on three key components that underpin an effective service delivery process, i.e. the governance framework, the spatial policy directives and the financial management process. In attempting to develop a response to this question, this study focuses on the water services delivery process from policy formation at national government level to service delivery in the City of Johannesburg from 2006. Research through in-depth interviews and documentation analysis was conducted at the Department of Water and Environment, City of Johannesburg and Johannesburg Water. The selection of water services from the range of public services is informed by the absolute necessity of water, as the failure of any individual or community to secure a regular supply of water will result in the loss of life. More specifically, the production and supply of food and energy are increasingly inter-linked, and both depend on a vulnerable resource: water. This immediate and universal need is the very reason why the withdrawal and denial of water services is also potentially the most explosive political issue today. The study is based on the view that a service delivery model that would enable the government to meet its social obligations must include the following components: the active participation of the working class and the marginalised sectors of society in the design, development and implementation process of service delivery; a governance framework that is based on the experiences and reality of those that are marginalised; that all projects and programmes are designed with the objective of reconfiguring the socio-spatial characteristics prevalent in the apartheid era and most importantly the goals and objectives of the service delivery process must be based on achieving social value. The framework of social value demands that people have equal rights and opportunities and that basic needs such as water, electricity, shelter, health facilities, and education must be available to all.

Some of the key findings of the research have shown that the current service delivery model is not based on a holistic, integrated view of service needs within the municipality leading to a lack of understanding of communities' service needs, increase in cost, disparate information and an inability to realise the benefits of economies of scale. The current performance management system is based on revenue generation and not the number of disconnections, health cost due to inaccessibility to clean water, environmental cost due to inefficient water treatment processes, etc. With regards to the current socio-spatial dynamics it has been found that the disparities in terms of access, quality and quantity are not too dissimilar from the racial demarcations characteristic of the apartheid era. A key focus of Johannesburg City has been the establishment of utility companies based on corporate governance and profitable balance sheets while the spatial distortions of apartheid and its current manifestations have been neglected. An analysis of the complex regulatory framework governing the micro projects implemented at the local government level, revealed that the current governance mechanisms has not achieve the intended economic development as envisaged by the national government within its policy framework. In fact the municipality is facing a financial crisis, compounded by an increase in unemployment and a decrease in the number of people accessing water services as a result of high tariffs. The key finding from the analysis of the financial management process has revealed that one of the main municipal revenue sources is from basic services such as water service delivery. To ensure that the required revenue is generated, municipal entities have been structured as corporations to enable them to sell services at a market related price and to ring fence the financial management process to assist with efficient billing and revenue management necessary for funding the local government bureaucracy. Finally, the research on the Lesotho Highlands Water Project confirmed that the agenda put forward by the World Bank and the World Water Council, significantly influences domestic policy formulation, specifically in terms of institutional arrangements for water service delivery, cost recovery and water resource management. The case of the LHWP bears testimony to the fact that these global institutions have a significant influence on corporatizing natural resources by developing mega projects for the financial benefit of transnational corporations.