

Is there an optimal design for medium-sized municipalities in South Africa?

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Presentation Structure

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Main Institutional Design Interventions

- Structure and functions of the President's Council, 1981.
- Constitution Act, 1983.
- Criteria for viable local authorities, 1984.
- Local Government Bodies Franchise Act, 1984.
- Regional Services Councils Act, 1985.
- Abolition of Development Bodies Act, 1986.
- Provincial Government Act, 1986.
- Joint Executive Authority of Kwa-Zulu and Natal Act, 1986.
- Self-Governing Territories Bill, 1988.
- Free Settlement Areas Act 1988.
- Local Government Affairs in Free Settlement Areas Act, 1988.
- Local Government Negotiating Forum (LGNF), 1993.
- Western Cape Municipal Demarcation Board, 1994-1996.
- Presidential Review Commission (PRC) on the Transformation of the SA Public Service, 1996-1998.
- Strategic monitoring and evaluation capacity for Tshwane mun, 2006.

Conceptualisation

- **Nature of medium-sized municipalities uncertain:** Not aligned with SA Constitution, 1996. Size can be based on geographical area, resident numbers or budget.
- **Municipal or local authority:** A formalised rural and/or urban legal/ political and/or administrative subdivision below the national governmental level which is constituted by law and has substantial control of local community/sub-regional or district issues (UN 1997).
- **Developmental local government:** Local government committed to working with the community to achieve sustainable social, economic and environmental goals through good democratic governance and leadership (1998 White Paper on Local Government).
- **Resilience:** Positive adaptations in response to major adversity: bouncing back from an external shock: learning, adaptability, agility, self-organization, equilibrium and thresholds) to recover status quo ante or new status quo (Fuller & Laine 2015, Capano & Woo 2017).

Variables influencing institutional design

- **Culture, Function, Structure** in that order: different remedies needed – Culture and Function more important than Structure.
- **Rural or Urban** size of area
- **Population** size & density
- **Infrastructure** (services & facilities)
- **Existing service providers**
- **Resources** (natural, human, economic & financial)
- **Powers & Functions**
- Selected **good governance design principles** (effectiveness, efficiency, accountability, representivity, equity & redress, democracy, professionalism, integrity, sustainability, etc)
- **Nature & purpose** of municipality (political devolution, administrative decentralisation or deconcentration)
- Institutional design **preferences & options** (in-house or outsourced, single or multiple tiers, executive council or mayoral system, other executive & administrative options)

Constitutional Municipal Categories

A: Exclusive municipal executive and legislative authority in its area (**Metropolitan**).

B: Shares municipal executive and legislative authority in its area with a category C municipality within whose area it falls (**Local**).

C: Municipal executive and legislative authority in an area that includes more than one municipality (**District**).

(Question: what is medium-sized?)

Alternative Municipal Systems Options for Best Fit

3 Executive systems:

- **Collective executive system:** allows for the exercise of executive authority through an executive committee. Executive leadership of the municipality is collectively vested in the executive committee.
- **Mayoral executive system:** which allows for the exercise of executive authority through an executive mayor. Executive leadership of the municipality is vested in the mayor, who is assisted by a mayoral committee.
- **Plenary executive system:** which limits the exercise of executive authority to the municipal council itself.

2 participatory systems:

- **Sub-council participatory system:** which allows for delegated powers to be exercised by sub-councils that are established for/in parts of the municipality.
- **Ward participatory system:** which allows for matters of local concern within the different wards of a particular municipality to be dealt with by the specific committee that has been established for such wards

Category A (metropolitan) options

- A collective executive system.
- A collective executive system combined with a sub-council participatory system.
- A collective executive system combined with a ward participatory system.
- A collective executive system combined with both a sub-council and a ward participatory system.
- A mayoral executive system.
- A mayoral executive system combined with a sub-council participatory system.
- A mayoral executive system combined with a ward participatory system, and
- A mayoral executive system combined with both a sub-council and a ward participatory system.

Category B (local) options (S9 Structures Act)

- A collective executive system.
- A collective executive system combined with a ward participatory system.
- A mayoral executive system.
- A mayoral executive system combined with a ward participatory system.
- A plenary executive system, and
- A plenary executive system combined with a ward participatory system.

(No sub-council option)

Category C (district) options (S10 Structures Act)

- A collective executive system.
- A mayoral executive system, and
- A plenary executive system.

(No sub-council or ward committee option)

Deciding which designs apply where?

- MDB determines constitutional category.
- This determines options range (Constitution s 155(2) and (3) and Structures Act chpt 1).
- Provincial Minister of Local Govt consults SALGA & local authority before determining which model applies or to change one.
- **Main performance problem though is not structural but the political and organizational culture and functioning of the municipality, irrespective of size & even structure in many cases.**
- Structural change is ineffective if not re-inforced by cultural & functional changes.

Nature & Origins of Municipal Incapacity

- Geographical climate, distances, resource scarcity, low literacy levels & economic growth.
- Politics: artificial cultural, structural and functional racial separation between affluent white municipalities and subsidized poor black communities in common area and 'homelands' during Apartheid, causing extreme inefficiencies subsidized by white institutional system.
- Complicated by parallel, conflicting system of traditional leaders in black tribal and communal areas.
- Lack of adequate capacity-building & accountability.

Causes of incapacity 1

- Developing country characteristics: weak economic, political, administrative systems and developmental standards.
- Sparsely populated regions: span off control problems.
- Complex and expensive nature of municipal infrastructure & services.
- Too little revenue to provide all services at required standards and timeframes: FFC equitable share of national revenue (Constitution s 227(1)).
- Unfunded mandates: National & Provincial Responsibilities dumped without resources & capacity-building.

Causes of incapacity 2

- Non-payment for services: Apartheid-related.
- Bad debt collection: non-capacity and politics.
- Endemic systems corruption & theft of resources.
- Mismanagement of Structures Act, Systems Act, MFMA, Intergovernmental Relations Act, etc:
 - Bad decisions.
 - Lack of commitment.
 - Inefficiency and waste.
 - Negligence.
 - Inexperience.
 - Incompetence (inappropriate nepotistic deployment).

Remedies for performance improvement & resilience 1

Mostly cultural & functional remedies to change mind sets and improve behavior:

- Political parties must get better political candidates, more competent and with integrity to get better leadership, decisions, management & oversight in general.
- Better qualified, knowledgeable, skilled & experienced officials must be appointed.
- More revenue & better management of & accountability for income and expenditure.
- Less corruption, theft, waste will increase resource availability.

Remedies for performance improvement & resilience 2

- Mainstreaming more effective -
 - Strategic transformation planning and management
 - Participatory, decentralized local governance & decision structures & processes (multiple tier sub-councils & ward committees)
 - Evidence informed decisions
 - Business process re-engineering
 - Use of decision and management support technologies as imperative
 - Cost-benefit and impact assessments
 - Prioritisation and risk assessments & management
 - Comparative scenario assessments
 - Alignment of programme designs, project implementation plans, budgeting and purchasing processes