

# Institutional design of medium-sized municipalities in South Africa: Improving developmental local governance & community resilience

“The different design options for municipalities in  
South Africa”

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# Road map

- Historical models (design options)
- Problems with historical models
- An Appropriate model

# Historical models

- Weberian bureaucracy (1910 - 1996)
- New Public Management (1996 - 2006)
- Hybrid model (2006 - to date)

# Weberian model

- Max Weber (1864 -1920)
- Weber:- bureaucratic state
  - ❑ is by far the most effective and efficient way of organising an administration
  - ❑ most efficient means of controlling the work of large numbers of people
  - ❑ technically superior to any other type of design option in accomplishing complex goals
  - ❑ optimises precision, speed, unambiguity continuity, unity, strict subordination, reduction of friction and of material and personal costs in the performance of tasks

# Characteristics

- Hierarchy of authority
- Division of labour
- Application of impersonal rules
- Qualifications-linked meritocracy
- Security of tenure

# In South Africa

- White local Authorities
  - Hierarchy of authority
  - Division of labour
  - Application of impersonal rules
  - Qualifications-linked meritocracy (1910 - 1988)
  - Security of tenure

# New Public Management

## ■ New Public Management

- late 1970s through the 1990s
- US - 1978 Civil Service Reform Act (Carter)
- Reagan 1980
- UK - Margaret Thatcher in 1979
- Anglo-Saxon countries (1984 - 1990)
  - New Zealand, Australia & later Canada
- World Bank & IMF

# New Public Management

- Discontent with inflexibility of bureaucratic procedures, redtape
  - Challenging its rigidity and slowness to act
- Prescribes private sector models for public sector tasks
  - Business principles and management techniques
  - Neo-liberal understanding of state and economy



# Characteristics

- Managerialism
  - Managerial autonomy
  - Performance management
  - Contract (short-term) appointment
- Privatisation
- Performance-linked meritocracy
- Corporatisation
- Outsourcing / private-public partnerships
- Discipline in resources use

# Emergence of NPM in South Africa

- NPM- came about during dying days of apartheid
- When the writing was on wall for the demise of apartheid
  - first introduced in South Africa in the 1980s, as a response, ostensibly, to the economic crisis of the 1970s.
- However, halted (BUT NOT REVERSED) by the GNU
  - Saw it as a stratagem to loot and denude the state of assets in preparation for life out of office
  - They wanted to retain the status quo ante of white ownership of the economy
  - Pushed, instead, for nationalisation of strategic sectors of the economy

# Emergence...

- Reintroduced during transformation of the public service
  - Alternative - apartheid
    - Centralist military system of governance
    - With features of Weberian bureaucracy
    - Racial oligarchy
    - Operated a brutal system of subjugation
- Introduced in three ways
  - Escape route - writing on the wall for demise of apartheid
  - Willing adoption - international best practices
  - Forced adoption - condition for IMF loan

# Incidence

- **Managerialism**
  - Managerial autonomy - s 57 managers (SMS)
  - Performance management
  - Contract (short-term) appointment
- **Privatisation**
- **Performance-linked meritocracy**
  - Saw the repeal of Profession of Town Clerks Act & Municipal Accountants Act
- **Corporatisation**
  - 62 corporate entities
  - Only Jo'burg seems to have gone all out
- **Outsourcing / private-public partnerships**
  - 27 active PPPs in 21 municipalities

# Problems with historic models

- Apartheid Weberian bureaucracy
  - Failed to deliver service to the people of South Africa
  - Instead, it caused
    - Huge structural disparities,
    - Service backlogs and
    - Gross inequalities
- With the end of apartheid
  - There was a need for rapid service delivery & rectify the ravages of apartheid
  - Weberian bureaucracy was of dubious value
  - The new government instead brought in NPM

# Problems with historic models...

- However, poor service delivery persisted despite the introduction of NPM
  - In 2009 (9 years of NPM) majority of municipalities showing signs of distress, or outright dysfunction - **State of Local Government Report**
  - Serious leadership, governance & financial management problems - **LGTS**
  - **Back to Basics** - five years later municipalities fell into three categories:
    - top third (with basics rights)
    - Middle third (fairly functional/just managing)
    - Bottom third (frankly dysfunctional)
  - **CoGTA 2018** - Only 7 % of fully functional

# Hybrid model

- Since 2006 - resurgence of the Weberian model
  - Alongside NPM
  - Introduce qualification/experience requirements & ethics
- Untidy & clumsy use of models of service delivery that contradict each other
- What is clear is that these models can't stand together
  - Short-term contracts work against qualification-based meritocracy
    - Also have detrimental effect on stable administration
    - Also provide fertile ground for corruption
  - Qualifications-linked meritocracy works against performance-linked meritocracy
    - Msengana-Ndlela

# Appropriate model

- A hybrid model that combines elements that do not contradict each other, namely:
  - **Qualifications** - to ensure suitable people are appointed
  - **Recognised Professional associations** - to enforce ethics and qualifications
  - **Limited open skills recruitment system** - to ensure limited sideways entry
  - **Performance management system** - to hold managers accountable for their actions/results
  - **Public-Private Partnerships** - to mobilise the much-needed resources from the private sector



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