

The Upliftment of South African Local Government?

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Theoretically, South Africa has one of the most advanced systems of local government in the world with its powers and functions being constitutionally entrenched. Two different conceptual models of local government were used to assess how autonomous this local government system is in practice. The autonomous model views local government as a clearly separated sphere of government, while the integrational model sees greater functional interdependence between the various spheres of government. The article concludes that there are different views of decentralisation within the state. On the one hand there are local government reform measures by the state to position itself within the global economy that reflects a more integrational view of local government. On the other hand there are elements of the autonomous model such as attempts to empower local government through the promotion of local democracy.

South African local government has undergone a three-phase transformation process. The pre-interim phase (1994–95) dealt with the period prior to local government elections and was characterised by appointed councillors. After the 1995/96 municipal elections the interim phase undertaken in terms of the Interim Constitution came into effect. This was characterised by a number of power-sharing agreements between the major political parties (Cameron, 1996a; Cloete, 1995). In terms of the arrangement, a final Constitution had to be negotiated within two years. The final Constitution was certified and signed in December 1996 and came into partial effect on 4 February 1997. This new national framework has had profound effects on local government.

What is important is the change from a three-level hierarchical intergovernmental system to a three-sphere system. The notion of a 'sphere' derives from Chapter 3 of the Constitution that makes each sphere of

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government distinctive, interdependent and interrelated. Theoretically, this has uplifted local government from a subordinate level of government to a significant sphere in its own right. South Africa has one of the most advanced local government systems in the world.

However, claims about the powerful new status of local government need to be demonstrated rather than asserted. One of the characteristics of many Third World countries is the chasm between the constitutional and legislative system of law and rules on the one hand and the reality on the ground on the other. For this reason it is important to evaluate the actual implementation of the new local government system.

This article is an examination of this new local government system. A framework for analysis is developed to help gauge the degree of decentralisation. Two different models of local government are examined, namely the autonomous and integrational models.

The autonomous model views local government as a clearly separated sphere of government, while the integrational model sees greater functional interdependence between the various levels of government. This article also looks at models of decentralisation but suggests that the important notion of horizontal autonomy needs to supplement more traditional models of vertical autonomy. The final part of the analysis examines whether the decentralisation policies are motivated by the general empowerment of groups at a lower level or driven by narrow self-interest.

An examination is then undertaken of the main features of the South African local government system. This includes looking at the Constitution, White Paper on Local Government and recent legislation. The analysis of the actual implementation of these provisions is also undertaken. The final section of the article involves applying the framework to gauge the degree of decentralisation that has occurred.

FRAMEWORK FOR ANALYSIS

The first dimension of the theoretical framework involves looking at different ways of conceptualising local government. Kjellberg (1988) distinguishes between two different types of models of local government, namely the autonomous and integrational models. The autonomous model reflects the traditional liberal view of local government, whereby central and local government are viewed as two clearly separated spheres of government. Local government should have its own functions and activities. The role of central government (or provincial for that matter) is confined to an indirect monitoring function. The integrational model sees greater functional interdependence between the various tiers of government. Local government is part of a larger institutional order and may be required

to implement national policies. Montin (2000: 13) suggests that in reality local governments are a combination of both the autonomous and integrational models. The development of the welfare state has caused local governments' autonomy to be subordinated to the interests of the welfare state. Local government is seen as an instrument for implementing national policies. Most political parties define local government from the perspective of the integrational model.

The second part of the framework attempts to look at the degree of decentralisation that has occurred. There have been attempts to measure decentralisation in the past (Smith, 1979; Page and Goldsmith, 1985). Indices which have been used include the degree of local government autonomy in the selection of local staff, the ability of local government to access national government and influence national local government policy, the range of local government functions, the degree to which local political parties can make decisions independently of their national structures and the degree to which local governments can raise their own sources of revenue independently of higher tiers of government.

However, the world changed quite substantially after the collapse of the Soviet empire in 1989. Many states are decentralising powers to their local government, but in a different context to previous ways of decentralisation. As Annå (2000: 16) puts it, 'concepts like globalisation, differentiation, networks, multiple identities and ad-hoc representations are guiding the municipal reform process'. There is a realisation that traditional models of decentralisation need to be revisited. Montin (2000: 14) states that traditional views of autonomy focus only on central-local relations. He develops the understanding of decentralisation by arguing that local governments interact very closely with the local and sometimes the regional and global environment. Local socio-economic forces may in practice constrain vertical autonomy. This also means that horizontal autonomy may differ from one local government to another. Local economic and social developments can limit local government revenues: there may be opposition from powerful local interests, and the activities of local social movements can influence the nature of local policy.

This debate can be linked to definitions. A classical definition of a decentralised local government would be as follows:

- Local authorities should be constitutionally separate from central government and be responsible for a significant range of services;
- They should have their own treasury, separate budget and accounts and their own taxes to produce a significant part of their revenue;
- They should have their own personnel with the right to hire and fire staff;

- Local policy should be elected by local councils, consisting predominantly of local representatives;
- Central government should play an indirect advisory, supervisory and inspectorate role.
(Mawhood, 1990: 1–2)

This can be distinguished from decentralisation, which involves a transfer of the workload from central government to local government. However, major policy and financing decisions remain at central level (Mawhood, 1990: 3–4).

However, modern definitions of decentralisation should not only look at vertical relationships but also at horizontal autonomy. Another important feature would therefore be:

- To what extent does local horizontal autonomy affect formal vertical autonomy?

The third dimension of the framework is the reasons for decentralisation. What is useful in the Manor analysis (1999: 36–9) is his distinction between decentralisation policies of central governments motivated by the general empowerment of groups at lower levels and those driven by narrow self-interest. He does caution that in reality many decentralisation exercises are a combination of both categories – different elements within states may interpret them differently. He then distinguishes ideal types of each of these categories that are discussed below.

Genuine Attempts at Empowerment

Amongst the important motivations for genuine attempts at empowerment are:

- deepening democracy by extending liberal representative polices to lower levels;
- greater opportunities for citizens to participate in decisions affecting their lives;
- drawing on local knowledge and preferences about development;
- promoting partnership between state and society through greater cooperation between local government and non-governmental organisations;
- promoting a more equitable redistribution of resources by combining affluent areas with abutting poorer ones into single municipalities;
- undermining authoritarian enclaves by creating democratic institutions in areas where such forces hold sway.

Decentralisation for Narrow Political Advantage

In this category are examples of narrow sectarian decentralisation. These include:

- democratisation of local government as a substitute for democratisation at the centre;
- offloading tasks which central government finds costly and/or inconvenient onto local government;
- drawing powerful figures at local level into official positions at power, so that the central government can cultivate them as allies;
- mobilising local resources through tax increases, the blame for which will be borne by local government;
- giving the appearance of democratisation while actually implementing deconcentration and limiting local government's powers.

THE CONSTITUTIONAL FRAMEWORK

South Africa's constitution-makers decided that when the country was making its transition from apartheid to the new democratic order, that an interim phase with a number of limitations on majoritarianism would be used as a transitional measure (Cameron, 1996a; Cloete, 1995).

The constitution is the supreme law of the republic and any law inconsistent with it is invalid. A highly advanced Bill of Rights forms the cornerstone of the Constitution. Provision is made for a three-sphere system of government, namely, national, provincial and local spheres, which are distinctive, interdependent and interrelated (Section 40).

The principle of co-operative governance underpins intergovernmental relations. Section 41 states; *inter alia*, that all spheres of government must:

- respect the constitutional status, institutions, powers and functions of government in these spheres;
- not assume any power or function except those conferred on them in terms of the Constitution;
- exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere;
- co-operate with one another in mutual trust and good faith; and
- avoid legal proceedings against one another.

This concept of co-operative governance was not included in the Interim Constitution. Although partially borrowed from the German experience, it

is a *sui generis* attempt to develop South Africa's approach to intergovernmental relationships. The term 'sphere' is meant to indicate a shift towards a less hierarchical system of intergovernmental relations.

The concept of a co-operative governance contained elements of both the integrational and autonomous models. The 'distinctive' component is the autonomous model, while the 'interdependent' and 'interrelated' components are integrational in nature. How this works in practice will be discussed later in the article.

The legislative authority of the national sphere of government is vested in parliament. Parliament consists of the National Assembly and the National Council of Provinces (NCOP – the upper house).

The legislative authority of a province is vested in the elected provincial legislature. Provinces can pass legislation with regard to any matter within a functional area listed in Schedule 4 (Functional Areas of Concurrent National and Provincial Legislative Competence) and Schedule 5 (Functional Areas of Exclusive Provincial Legislative Competence) of the Constitution, and other matters assigned to provinces by national legislation. Schedule 4 matters can be legislated by both parliament and provincial legislatures, with the former authority having an override mechanism in certain instances.

The Constitutional Court is the highest court in all constitutional matters and has the power to decide disputes between organs of state in the national or provincial sphere concerning the constitutional status, powers or functions of any of those organs of state.

What is important is that local government – which was a provincial function in terms of the Interim Constitution – has been lifted out to become a sphere of government in its own right. It is to this issue that this article now turns.

LOCAL GOVERNMENT

Sphere of Government

As with its interim counterpart, the final Constitution includes a chapter (Chapter 7) on local government.¹ Section 151(3) states that a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation as provided for in the Constitution. Section 151(4) says that national or provincial government may not compromise or impede a municipality's right or ability to exercise its powers or perform its functions. These clauses indicate a fundamental shift away from the system of provincial control of local government, which has characterised South Africa's intergovernmental system since 1910 (Cameron, 1995).

This argument can be developed further by examining Section 156 (1), which gives municipalities executive authority and the right to administer the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 of the Constitution and any matter assigned to them by national or provincial legislation. What this means is that local government has constitutionally guaranteed functions, and although national government and provincial governments may regulate it, this must be done in a way that does not compromise its ability or right to govern.

Provinces' role in respect of local government is now confined to performing a technical monitoring support role and improving municipalities' capacity (Section 155 (6)).

Provincial governments can only intervene in local government affairs of a municipality that does not fulfil an executive obligation and then for a limited period. A more general limitation of provincial powers is the fact that they have a constitutional right to support the capacity of local government. If a municipality is unable to fulfil an executive function, it could claim that the province has failed in its constitutional obligation to improve the capacity of local government. There is also generally limited or no resources provided to provinces for local government support.

The early experience of the Constitution suggests conflicting outcomes of this provincial–local relationship. On the one hand municipalities – particularly metropolitan councils, are exercising considerably more powers and functions *vis-à-vis* provinces than hitherto has been the case. The role of provincial departments of local government has been downgraded considerably because they can only intervene in local government affairs under exceptional circumstances (Department and Ministry of Provincial and Local Government, 1999: 92–110).

On the other hand, there is evidence that some central government departments are ignoring local government when it comes to planning and development of services (Polunic, 1999: 361–3; Department and Ministry of Provincial and Local Government, 1999: 66–70). In addition, a major study of local government in KwaZulu-Natal found that although local government is a sphere, councillors are guided, if not controlled, by members of their party who occupy national and provincial positions (Polunic, 1999: 413–14).

Objects and Development Duties of Municipalities

The constitutionally listed objectives of local government include the provisions of services to communities in a sustainable manner and the promotion of social and economic development (Section 152 (1)). The development duties include giving priority to the basic needs of the community and promoting social and economic development (Section 153). These development provisions must be read in conjunction with Section

195 of the Constitution (which lists the basic values and principles governing public administration), which states *inter alia* that public administration must be development-oriented. The role of local government has to shift from traditional local service delivery and administration to local socio-economic development (Fitzgerald *et al.*, 1995).

Another important development requirement is integrated development plans (IDPs), which have to be compiled in a participative fashion with communities. IDPs are intended to, *inter alia*, assess community needs, prioritise such needs, develop integrated frameworks and goals to meet these needs, formulate strategies to achieve the goals and implement programmes and projects (Department of Constitutional Development, 1997a).

The constitutional obligations of local government to meet basic needs in terms of Section 153(a) must be seen in the light of an extensive infrastructural backlog. Four million people have access to untreated water; eight million have minimal sanitation; 17 million have no electricity; and eight million have no formal road access to residential areas (Moosa, 16 May 1997: col.2786).

Section 153 means that although municipalities have constitutionally listed functions, how they exercise these functions is to a certain extent prescribed, which is a feature of the integrationist model. Local government already participates in national development programmes such as the Reconstruction and Development Programme (RDP) and is constrained by the Department of Finance's restrictive macro-economic policy, the Growth, Employment and Redistribution (GEAR) strategy,² so Section 153(b) is not necessarily an innovation.

However, one can question whether national and provincial programmes that are too embracing will compromise the powers of local government. For example, there are also concerns that new water and electricity legislation will lead to local government losing these functions along with sources of revenue to envisaged statutory single-purpose bodies. There is the growing view of functional national departments that the role of local government is to implement national policy (Pycroft, 2000: 144).

Establishment of Municipalities

Section 155 of the Constitution makes provision for the following categories of municipalities:

- (a) *Category A*: A municipality that has exclusive municipal executive and legislative authority in its area.
- (b) *Category B*: A municipality that shares municipal executive and legislative authority in its area with a Category C municipality within whose area it falls.

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(c) *Category C*: A municipality that has municipal executive and legislative authority in an area that includes more than one municipality.

Category A municipalities are the metropolitan unitary authorities while Category B and C municipalities are the lower and upper-tier models respectively of the non-metropolitan local government system.

From 1994 until 2000 there were six two-tier metropolitan authorities in the country. The White Paper on Local Government recommended that two-tier metropolitan structures be replaced with unitary-tier structures. The White Paper gave three compelling reasons for the establishment of metropolitan government (Provincial Affairs and Constitutional Development, 1998: 59–60).

- Metropolitan government creates a basis for equitable and socially just metropolitan governance;
- Metropolitan government promotes strategic land use planning and co-ordinated public investment in physical and social infrastructure;
- Metropolitan government is able to develop a citywide framework for economic and social development and enhance the economic competitiveness and well being of the city.

A concern about creating globally competitive cities underpins this objective. It was felt that the unitary (megacity) option best embraces these objectives. Legislation made provision for two types of unitary-tier authorities, one with ward councils and the other with sub-councils. No inherent powers are vested in these bodies.

The Local Government: Municipal Structures Act embodied the recommendations of the White Paper and replaced the two-tier structures with unitary authorities.

Opposition-controlled provinces vehemently opposed this legislation. Both the Western Cape and KwaZulu-Natal provinces have challenged the constitutionality of the Act in the Constitutional Court. The basis of the challenges was that the Act encroached unconstitutionally on the powers of local government and of provinces. The political motive behind this challenge was the wish to retain the two-tier system. There was also opposition to the powers granted by the national minister to create local government structures directly against the wishes of provinces. The Constitutional Court ruled in favour of legality of the unitary-tier structures, but ruled that the function of declaring metropolitan areas should be performed by the Municipal Demarcation Board and not the minister (Department of Constitutional Development, 1999).

It is not clear whether the ANC's preference for megacities was also

based primarily on party-political rather than technical considerations. Certainly, the abolition of the two-tier system limited the number of metropolitan authorities opposition parties could win (given that their support in most metropolitan areas is in geographically located pockets rather than city-wide support). The ANC in fact won five of the six metropolitan authorities at the 2000 municipal elections, with the newly formed Democratic Alliance winning one (Cape Town).

Rural Local Government

Provision was made for the 1995/96 municipal elections for the establishment of a loose two-tier rural local government. The upper-tier system was called district councils (regional councils in KwaZulu-Natal). It consisted of indirectly elected representatives of transitional urban local councils (TLCs), transitional representative councils, transitional rural councils and directly elected representatives from remaining areas (which did not have any lower-tier representatives). District councils did not have any authority over the functioning of TLCs. Provinces could choose from the other three models that form of rural local government structure they wanted. However, only the transitional rural councils were fully fledged local governments (Cameron, 1996a: 32–3).

The rural local government system has been unsatisfactory from a number of points of view, such as the lack of capacity of primary local government structures (only two provinces have fully fledged rural councils) and fragmented policy between district councils and TLCs (Götz, 1997; Motala and Polunic, 1998).

The White Paper provided for a more powerful and strategic role for district councils (Department of Provincial Affairs and Constitutional Development, 1998: 68–73). The Structures Act embodied the spirit of the White Paper recommendations and made provision for a two-tier local government system in non-metropolitan areas to take effect after the 2000 local elections. District councils are now called district municipalities and are the upper-tier (category C) authorities.

One fundamental change has been in the area of functions. In the past district councils had virtually no jurisdiction in larger urban towns. Now district municipalities have assumed the responsibilities akin to those performed at an upper-tier level in a metropolitan two-tier system. Section 84 of the Act lists the division of functions and powers between district and local municipalities. The real strategic powers are, however, listed in Section 83(3) of the Act which vests major strategic powers such as planning, infrastructural, investment and redistributive powers at upper-tier level.

Existing TLCs, transitional rural councils and transitional representative councils will in effect become the lower tier of the two-tier model. The

Structures Act does not distinguish between urban and rural local government in that it makes provision for only one form of category B local government structure, namely local municipalities.

The future strategic role of district municipalities must be seen in the light of constant government hints that provincial governments are going to be downgraded in favour of stronger municipalities (*Business Day*, 26 April 1999; *Sunday Independent*, 16 May 1999). Indeed, the recent boundary demarcation of districts (as with metros) is seemingly geared to promoting long-term economic and social development, rather than focusing on service delivery only. It also indicates a shift away from the autonomous model whereby urban municipalities were 'stand-alone' entities operating largely independently from district councils.

Types of Municipalities

Provincial governments must determine the types of municipality to be established in their respective provinces (Section 155 (5)). These would be derived from the menu of options and criteria provided by national legislation. The Structures Act lists the types of municipality, which consist of different executive systems (mayoral executive system, collective executive system) on the one hand and forms of sub-local governance (sub-council, a ward participatory system) on the other.

Particular reference must be made to the executive mayor model that was a recommendation flowing out of the White Paper. Unlike London, the executive mayor was indirectly elected from the ranks of the metropolitan council. The reasons for the executive mayor include the ability of mayors to run cities efficiently and innovatively and not be tied down by bureaucratic red tape. This is of particular significance given greater globalisation where cities are seen as arenas for economic competition in the global market place. Executive mayors should play a key role in attracting investment. Secondly, s/he would be a high profile personality that should clarify accountability and heighten interest in civic affairs.

The executive mayor has not insubstantial powers, which include identifying the needs of the municipality, reviewing and evaluating these needs in order of priority, recommending to the council about strategies, programmes and services to address priority needs through the IDPs and estimates of revenue and expenditure, as well as recommending the best way to deliver these strategies to the maximum benefit of the community (Cameron, 2000a: 162). The ANC-controlled provincial governments chose the executive mayor option, while the two opposition-controlled provinces chose the collective executive system.

The ANC's National Deployment Committee, rather than local branches, chose their executive mayor candidates. This can be seen as a sign of

creeping centralisation. A major reason for this is that ANC wants mayors who will follow national dictates, particularly the national macro-economic framework, GEAR and not succumb to populist expenditure pressures.

Internal Procedures

Section 160 of the Constitution gives municipal councils significant powers over their internal procedures, including making decisions concerning the exercise of all the powers and the performance of all the functions of the municipality, electing an executive committee and other committees, subject to national legislation, and employing personnel that are necessary for the effective performance of its functions.

Although there are some limitations, local government now has more autonomy over its internal procedures, which is a feature of the autonomous model.

Organised Local Government

Provision is made for local government representation in the NCOP. Section 67 states that not more than ten part-time representatives, designated by organised local government to represent the different categories of municipality, may participate when necessary in the proceedings of the NCOP, but may not vote.

The Organised Local Government Act was passed in late 1997. It gave statutory embodiment to these constitutional provisions. The South African Local Government Association (SALGA) and its provincial affiliates have been recognised by the minister as the body representing local government. However, in reality, SALGA has turned out to be a rather weak defender of local government at both national and provincial levels. A study has shown SALGA and its affiliates lack the capacity to promote local government or represent its interests effectively (Department and Ministry of Provincial and Local Government, 1999: 129–30).

Demarcation of Boundaries

The Local Government: Municipal Demarcation Act that was promulgated in 1998 has created a single independent Municipal Demarcation Board, replacing the previous system of nine provincial boards. The major reasons for this were the need to have uniform national policy on local government and the tendency of some provincial ministers of local government to demarcate boundaries that they could win for the 1995/96 municipal elections rather than boundaries that would facilitate service delivery and promote development (Cameron, 1999).

The Board is the final decision-making body when it comes to the demarcation of boundaries, which was a bold decision on the part of policy-

makers. It is extremely rare for Boards of this nature to have final decision-making powers, as politicians are generally reluctant to abdicate demarcation powers to appointed Boards.

A major aim of the demarcation exercise was to rationalise the number of rather non-viable municipalities. In 1999/2000 the number of municipalities in the country was reduced from 843 to 284. The Board primarily used functional interdependence of communities and minimum sizes to achieve thresholds as the basis of its demarcation. The aim was to create bigger municipalities with larger tax bases that would be able to promote services and development in a sustainable fashion. In order to achieve this goal urban and rural communities have been combined into single municipalities (Cameron, 2000b).

Local Government Finance

Municipalities in South Africa are largely self-financing which is constitutionally guaranteed (Section 229 (1)). Their primary source of revenue is property tax, which comprises 90 per cent of the municipal budget. Local government is also entitled to an equitable share raised nationally. Total transfers to local government in 2000/2001 amounted to R6.7 billion. R1.867 billion of this was its portion of the equitable share, and the rest was in the form of conditional and unconditional grants. Grants (including the equitable share) from national government comprised about seven per cent of the projected R58 billion local government budgets in the municipal financial year 1999–2000 (Department of Finance, 2000: 164–5). Municipalities can also raise loans for capital and operating (for bridging purposes only) expenditure in terms of a national framework. This is also an important new constitutional right for local government. It is intended to enhance local government access to the capital market.

These sections must also be seen in the context of the socio-economic rights enshrined in the Bill of Rights which gives citizens the right to access to services such as housing, health care, food, water and social security. They are intended to promote local government's capacity to provide such services. However, these rights are not likely to lead to significant increases in local government revenue. This is the view of the Department of Finance that has to ensure that the three per cent budget deficit objective of GEAR is attained. This involves the cutting of expenditure by all spheres of government.

EVALUATION OF THE NEW LOCAL GOVERNMENT SYSTEM

The Final Constitution has elevated the powers of local government significantly. Yacoob (1996: 41–3) points out that a diverse local government empowerment lobby had played a significant role in this regard. This debate cut through the centralist-provincialist dispute, with

both sides pushing for more powers, and local government only playing a role with regard to which higher-level government would control it. Since it became the majority party after the 1994 national elections, a strong pro-local government lobby had developed with the African National Congress (ANC). The official opposition, the National Party (NP), also had a strong local government lobby. Strong technical submissions from organised local government also supported the elevation of local government. Yacoob (1996: 42) says that the local government chapter was 'a settlement, not between political parties, but a settlement between different tendencies which existed in all political parties'. While the local government lobby did not achieve everything it had aimed to, it certainly won major concessions for the local sphere of government.

What were the reasons for this promotion of local government? Firstly, the growth of the ANC local government lobby was influenced by the fact that the fear of white-controlled local authorities becoming the last bulwark of apartheid had largely dissipated with the creation of non-racial boundaries and an ANC victory in most of the major municipalities.

A second reason for local government's improved status was derived from the view that cities must be seen not merely as service-delivery agents, but rather as dynamic arenas for economic, social and cultural development. Cities are regarded as economic competitors in the global marketplace. Most of the country's gross domestic product is generated in cities, and they need to be globally competitive in order to prosper.

The arguments are that given this critical need, cities should largely be the masters of their own destiny in enhancing competitiveness and should not be shackled by unnecessary provincial controls. This is an autonomous view of local government, although, as pointed out later in the paper, the central government controls have, if anything, been increased.

The third reason was that strong local government was seen as a way of empowering people. The Constitution lays a heavy emphasis on participatory governance, namely involving civil society in decision-making. It was felt that local government, being the sphere of government closest to the person in the street, was ideally situated to perform this role. This partially reflects the autonomous view of local government that has a more traditional representative variant as well as a participative strand.

The fourth reason was a political one. The ANC had failed to win two of the provinces in the 1994 elections, namely KwaZulu-Natal (won by the Inkatha Freedom Party [IFP]) and the Western Cape (won by the NP). The ANC's support was significantly higher in metropolitan areas and large towns in these provinces, as evidenced by the fact that it had won all the major cities/towns including metropolitan Durban in KwaZulu-Natal as well as the core Cape Town municipality in the Western Cape. By upgrading

local government rather than provincial government, the ANC could strengthen its support at the expense of its opposition in the two provinces. (It in fact won Durban and lost Cape Town.) In addition, there was also concern that certain ANC provincial ministers for local government had adopted actions inimical to local government, for example, the gerrymandering of metropolitan boundaries for the 1995/96 municipal elections. This is a reflection of the integrational model.

A final reason was the administrative capacity of provinces. Some provinces are entirely new creations, while others are struggling to amalgamate former homeland administrations and parts of the old white provincial administrations. Local government, despite going through a disruptive reorganisation in many cases, is still generally in a better state than provincial administrations. The current capacity of provinces was taken into account when the Constitution was drawn up (Department of Public Service and Administration, 1997).

The role of provinces has been downgraded further by the allocation of intergovernmental grants directly to municipalities (they used to be channelled through provinces). It is clear that the constitution-makers did not see provinces playing a major role in the governance of citizens. Provinces are likely to be phased out slowly in the medium to long term. Co-operative governance then reflects both an integrational and autonomous view of local government. Each sphere of government has its own area of distinctiveness (the autonomous model) and areas where there must be co-operation with one or more spheres of government (interrelatedness and interdependency' – the integrational model).

Elements of both the integrational and autonomous models have influenced the move towards a stronger model of local government. The key question is which element predominates. There is the view that the government has moved towards a centralist, integrational view of governance, with the adoption of the orthodox macro-economic strategy, GEAR (Friedman, 2000).

However, while there has been a shift in the integrationist direction, it tends to be an uneven process. As Manor (1999: 37) points out, different elements within the state have a different view of decentralisation. On the one hand is the integrational view. As far back as 1994 the minister in charge of the RDP programme called local government the 'arms and legs of the RDP' (Cameron, 1996b), implying that its role was confined to implementation only. More recently, Pycroft (2000) argued that the restructuring of local government is part of the GEAR macro-economic strategy by the state to position itself within the global economy. The government's new managerialism reforms focusing on service delivery and economic growth (Cameron and Tapscott, 2000) have also led to greater

centralisation. Its local manifestation, for example a unitary-tier metropolitan structure and executive mayors, have been described in the paper. It is argued that there has been a move away from the participatory framework of consultation and negotiation which characterised the early days of ANC, toward a more top-down centralist view of local government (Heller, 2000a; 2000b). The experience of social democratic countries is that social democratic reforms have inevitably led to greater centralisation of local government powers. Local inequality can only be effectively dealt with by higher tier structures.

There is also the view from functional ministries such as water, electricity, health that the role of local government is primarily to implement national government policies. The Local Government Municipal Systems Act shows integrational tendencies in that it introduces provision for municipalities to comply with the sectoral planning requirements of various national departments. Also, proposed financial legislation will lead to greater central control of local government finance.

On the other hand, there are also autonomous elements visible in the model of local government. Local government has substantial autonomy to organise itself internally and unlike the previous system it is very difficult for national and provincial government to intervene in local affairs.

There are also powerful figures within the ANC committed to strong participative local governments. Grassroots, participatory civil society bodies were the bedrock of opposition to the apartheid state in the 1980s (Seekings, 1988; Swilling, 1989) and the influence of this tradition should not be played down. Local governments have attempted to involve communities in decision-making, although the results seem to be mixed.

Nevertheless, the participatory form of democracy is evident in the Municipal Systems Act where a municipality consists not only of the structures, functions and administration of the municipality, but also the communities, residents and ratepayers of the municipality. There are also extensive provisions for public participation in planning and policy. This Act emphasises the local government right to govern on its own initiative and tries to limit national government downloading functions to local government without providing the necessary finance (Republic of South Africa, 1999).

In a three-tier system, the integrational-autonomous relationship is a bit more complex. Arguably, the real gains in powers of local governments have been at the expense of provincial rather than national government. It has already been noted that central government sees local government as the main focus of sub-national activity in the future. It could therefore be argued that local government is more autonomous towards provincial government, yet more integrational towards central government. Yet, once again, in

practice things tend to be more complex: provinces have attempted to win back some of the powers they have formally lost to local government, for example, using their provincial powers to make policy and to shut local government out of planning, development and investment initiatives and not communicating with local government generally (Department and Ministry of Local Government, 1999: 68–9).

The second part of the framework involves looking at the degree of decentralisation. Formally the chapter on local government meets most of the requirements of vertical autonomy. They have substantial local government autonomy with constitutionally protected powers and functions with its own tax base, the right to choose staff and locally elected councillors. However, due to apartheid neglect there is a massive backlog of infrastructure in Black areas as well as a shortage of skills. This has been exacerbated by constraints on horizontal autonomy in particular local resistance to the payments of rents and services. This will be discussed in the following section.

Finance

Compared to provinces, local governments have a substantial tax base. Notwithstanding this, finance is probably the Achilles' heel of the new local government deal. Prior to 1994, most local governments served a small white base. There has been the transition to municipalities with impoverished black residents. However, the tax base has hardly increased.

The crisis of non-payment of rates, rent and service charges is probably the biggest challenge for local government. It was originally used as a strategy by civic movements in the 1980s as a political protest against the apartheid system. So far, the present government has not been able to reverse this culture of non-payment. The Masakhane Campaign was intended to be an education programme to persuade residents to pay their charges (along with the improvement of services). After some promising early signs, evidence clearly shows that the Masakhane Campaign is not working (National Business Initiative, 1996). In June 1996 the annual debt in rates and tariffs was running at R5.6 billion, or 25 per cent of the annual R22.2 billion local authority rates and tariffs turnover. In June 1997 outstanding debts amounted to R6.8 billion (Department of Constitutional Development, 1997b).

Central government and provincial governments have also cut intergovernmental grants for local government significantly. These grants were historically used to subsidise the operations of former Black local authorities. This is part of the government's GEAR strategy, which involves, *inter alia*, reducing government expenditure.

There have also been complaints of SALGA that national government has delegated some functions of local government without the

commensurate finance. This has led to accusations of 'unfunded' or 'underfunded' mandates. Policies, norms and standards are often set at national level without proper consultation with regard to their budgetary implications. This includes the provincial responsibility to monitor and support local government (Matjila, 1999).

Project Viability – a cash flow audit conducted in 1997 by the Departments of Finance and Provincial Affairs and Constitutional Development – found that 92 municipalities had insufficient funds to pay a month's salary. Municipalities are also increasingly utilising their funds and reserves to finance non-payment of debtor accounts (Department of Constitutional Development, 1997b: 5). Poor credit control policies exist. There is also an increase in the number of municipalities defaulting on the repayment of loans to the creditors including banks and service suppliers. The Department of Finance budget review stated that: 'Many municipalities face financial problems due to poor management and cumbersome administrative and budget systems, inefficient service delivery, disproportionate wage bills and high levels of poverty amongst residents' (Department of Finance, 2000: 164).

A further and related problem is lack of capacity. Demarcation Board research has found that, with a few exceptions, municipalities do not have the administrative capacity to deal with the constitutional and legislative requirements of municipal governance (Sutcliffe, 2000). The lack of financial management skills is the biggest capacity problem facing municipalities (Municipal Demarcation Board, 2000).

The lack of finance is sometimes overplayed. Often the problem is that municipalities cannot manage funds or utilise them properly. Many municipalities do not have the capacity to perform their functions, including basic treasury functions, such as billing ratepayers and service consumers and keeping a proper credit control system. After 1994 many of the more competent staff have left for the private sector. There has also been the appointment of poorly trained staff in many municipalities.

Many of the characteristics of the Third World bureaucracy described by Smith (1985), namely lack of financial resources and trained staff, poorly framed policies, target group opposition and under-developed bureaucracies which are unable to formulate and implement policy, are evident in South African local government.

However, it is not only finance and capacity problems affecting local government. The calibre of councillors right across the political spectrum is generally very weak. Studies have shown that councillors do not fully appreciate their roles as public representatives. For example, some councillors voted for credit control policies in the council, but then obstructed the implementation of the policy in their own communities

(Department and Ministry of Provincial and Local Government, 1999: 96–8). The quality of political leadership is often lacking. There is the danger that the government's reforms are too technicist in dealing with what are essentially political problems.

The final aspect of the framework referred to the extent to which decentralisation was motivated by genuine empowerment versus self-interest. Manor (1999: 34) argues that the major concern for the empowering of South African local government was the deepening of democracy. It is held that this is not necessarily the case.

As pointed out in the article, there are genuine attempts to promote democracy at local level through the provision of representative structures at local level, greater participatory decision-making mechanisms and the combining of affluent areas with poorer neighbourhoods into single municipalities.

However, there are also examples of decentralisation for narrow political advantage. The offloading of tasks without any extra financial resources has been a constant complaint of local government. Another example is the Department of Finance expectation that local government should rely on local tax increases for extra revenue. These contradictions reflect different views of local government within the ruling party.

CONCLUSION

This article has shown that constitutionally South Africa has one of the most advanced local government systems in the world, with entrenched rights, powers and functions. However, in reality there are different views of decentralisation within the state. On the one hand, there are local government reform measures by the state to position itself within the global economy that reflect a more integrated, centralised view of local government. On the other hand, there are attempts to empower local government through both representative and participatory forms of local democracy. The participative forms of local governance could well be an impediment to the more efficient running of municipalities.

While local government meets most of the formal requirements of vertical autonomy, a huge infrastructural backlog means that its own sources of revenue are not sufficient. There is a dearth of properly trained officials. This has been exacerbated by the constraints of horizontal autonomy, with many residents of poorer communities not paying for their municipal services.

Finally, it was shown that the motives for decentralisation were mixed with some examples of decentralisation measures intended to promote democracy as well as evidence of decentralisation for narrow political advantage.

NOTES

1. The Constitutional Court initially referred the entire chapter on local government back to the Constitutional Assembly on the grounds that the first text was too vague on how it (local government) should work. In particular, the Court asked for greater detail about differing municipal structures, legislative processes and finances. This was reflected in the second text, which was approved by the Constitutional Court.
2. The Reconstruction and Development Programme (RDP) was an integrated, coherent socio-economic framework adopted by the Government of National Unity from 1994–96. It was a Marshall Plan type of approach to development. Gear has been the macro-economic framework of the government since 1996. It is a neo-liberal approach with a strong emphasis on financial and fiscal austerity. Leftwing critics accuse the government of abandoning the more state interventionist RDP, but the government's official position is that GEAR is a continuation of the RDP.

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