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LOCAL GOVERNMENT POLICY
IN SOUTH AFRICA 1980-1989
(WITH SPECIFIC REFERENCE TO THE WESTERN CAPE):
DEVOLUTION, DELEGATION, DECONCENTRATION
OR CENTRALISATION?

ROBERT GREIG CAMERON

A Thesis presented for the Degree of
Doctor of Philosophy in ~~Public Administration~~ * Political Studies

* See Introduction for details.
Checked with Mrs Hutchings. PhD Board.

UNIVERSITY OF CAPE TOWN
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TO MY FATHER (1919 - 1984)

ABSTRACT:

**LOCAL GOVERNMENT POLICY IN SOUTH AFRICA 1980-1989
(WITH SPECIFIC REFERENCE TO THE WESTERN CAPE):
DEVOLUTION, DELEGATION, DECONCENTRATION
OR CENTRALISATION?**

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This thesis is an examination of the National Party's policy of decentralisation of powers to local authorities in the 1980s. The thesis concentrates primarily on urban local government and its objectives are:

1. To trace the evolution of the South African state's policy of devolution of powers to local authorities in the 1980s;
2. To examine critically the main features of new local government legislation in this period, with particular reference to the devolution of powers policy;
3. To apply a normative framework for analysis, which can help serve as a heuristic device, in determining the extent of decentralisation that has occurred, to selected local authorities in the Western Cape.

The primary sources of research material that were consulted were Hansard, Acts of parliament, government commissions and gazettes, year books, provincial debates, ordinances, gazettes, circulars and local authorities' minutes and publications. Approximately 50 qualitative interviews were also conducted.

The framework of analysis utilised certain indices, namely personnel, access, functions, party politics, finance and hierarchical relations, to measure the extent of decentralisation that has occurred in three local authorities in the Western Cape. This framework helped determine that limited devolution of powers had occurred.

There were four major reasons for the reluctance of the National Party to devolve extensive powers to local authorities. First and foremost, reform policy was made in an elitist, top-down manner by a small group of reformers in order to ensure that the government could share power without losing control. The corollary of this centralised policy-making was the tendency of central and provincial authorities not to devolve extensive powers to local authorities. Secondly, there was the viewpoint of the central government that the local government development process had to be controlled from the top because of the lack of sufficient skills, experience and finance at local level. Thirdly, the need for macro-economic financial control was also a brake on the devolution process. Fourthly, the government believed that, in a unitary state, central government should always have a relative degree of control over local authorities' activities.

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LIST OF ACRONYMS

ADMC	Athlone and District Management Committee
ANC	African National Congress
ASSOMAC	Association of Management Committees
BLA(s)	Black Local Authority(ies)
CBD	Central Business District
CCC	Cape Town City Council
CCDLF	Consolidated Capital Development and Loans Fund
CDC	Cape Divisional Council
CDF	Capital Development Funds
CFA	Community Facilities Account
CIRR	Catholic Institute for International Relations
CP	Conservative Party
CPA	Cape Provincial Administration
CPI	Cost Price Index
CPMA	Cape Provincial Municipal Association
CPRC	Coloured Persons' Representative Council
CTMWA	Cape Town Municipal Workers' Association
CWG	Croeser Working Group
DCD	Department of Cooperation and Development
DCDP	Department of Constitutional Development and Planning
DP	Democratic Party
EEC	European Economic Community
EXCO	Executive Committee
GNP	Gross National Product
GST	General Sales Tax
HAD	House of Assembly Debates

HRD	House of Representatives Debates
ISER	Institute of Social and Economic Research
JMC(s)	Joint Management Centre(s)
LAC(s)	Local Affairs Committee(s)
LMC(s)	Local Management Centre(s)
LP	Labour Party
LUPO	Land Use Planning Ordinance
MEC	Member of Executive Committee
METPLAN	Cape Metropolitan Planning Committee
MP	Member of Parliament
MPC	Member of Provincial Council
MSC	Municipal Service Commission
NALAC	Natal Association of Local Affairs Committees
NHC	National Housing Commission
NHF	National Housing Fund
NIS	National Intelligence Service
NJMC	National Joint Management Centre
NP	National Party
NPA	Natal Provincial Administration
NSMS	National Security Management System
OSP	Office of the State President
PAC	Pan Africanist Congress
PFLC	Permanent Finance Liaison Committee
PFP	Progressive Federal Party
RDAC(s)	Regional Development Advisory Committee(s)
RSC(s)	Regional Services Council(s)
RSA	Republic of South Africa
SAAME	South African Association of Municipal Employees

SABC	South African Broadcasting Corporation
SADF	South African Defence Force
SAIRR	South African Institute of Race Relations
SAP	South African Police
SATV	South African Television
SPD	Soweto People's Delegation
SSC	State Security Council
TMA	Transvaal Municipal Association
TPA	Transvaal Provincial Administration
UBC(s)	Urban Bantu Council(s)
UCASA	Urban Councils of South Africa
UCT	University of Cape Town
UDF	United Democratic Front
UME	United Municipal Executive
UMSA	United Municipalities of South Africa
UP	United Party
UPRU	Urban Problems Research Unit
USA	United States of America
WCRSC	Western Cape Regional Services Council

CHAPTER I

INTRODUCTION

1.1 Background to and Reasons for Study

Up to the beginning of the 1980s local government was very much a cinderella discipline in South Africa, ranking low in the priorities in the fields of both Public Administration and Political Studies. Furthermore, there had been very little critical or theoretically informed approaches to the subject; what little literature existed fell largely into the category of 'nuts and bolts' studies of the structure and functioning of local government (see 1.4 Public Administration Approach).

Large-scale state restructuring, however, thrust local government into the limelight in the 1980s. Prior to that decade the central government had largely left the regulation of local authorities¹ to the various provincial authorities. According to the Classified Statutes of the Republic of South Africa (cited hereafter as RSA; 1989), from Union in 1910 until the 1980s there had only been eight central government Acts directly pertaining to local government (with the exception of Black local government).² In the 1980s the amount of central legislation in respect of local government more than trebled (26 Acts in total) compared with the preceding 70 years. New local government structures, Regional Service Councils (cited hereafter as RSCs) and Black Local Authorities (cited hereafter as BLAs) were established, and there were also a number of

legislative changes affecting the operation of existing local authorities.

As a direct result of these new policy measures, local government took off as an academic discipline in the 1980s. A number of younger scholars, particularly in Social Science disciplines, chose to specialise in this area. Furthermore, a number of established academics turned their attention to local government and sought to apply their knowledge to an analysis of these policy changes. There were a number of publications in Public Administration and Political Studies journals on local government. There was also a spate of conferences on local government held at universities.

One of the major features of the new local government scheme has been the government's policy of devolution of powers to local authorities. This issue is the particular concern of this thesis. The question of devolution of powers has been one of the most hotly debated local government issues among South African academics, local government practitioners and urban observers. This debate was started by Dewar (1985) who suggested that the new local government system could lead to local authorities having the capacity to enact legislation which could precipitate fundamental changes to national level structures. This hypothesis was disputed in this writer's 1986 article, where it was argued that there is a great difference between the stated government commitment to devolution of powers and the reality of local government legislation, which was characterised by increased centralisation of powers. A

number of other academics also contributed to this debate. Bekker (1988) Bekker and Jeffery (1989), Heymans (1987A, 1987B and 1988) and Atkinson (1987) also placed doubts on the government's commitment to devolution. Friedman (1987) and Breytenbach (1987) seemed to suggest that the truth is somewhere in between, with elements of both centralisation and devolution present in new local government legislation. A then-senior official of the Department of Constitutional Development and Planning (cited hereafter as DCDP), Fanie Cloete (1988A), sprang to the government's defence by arguing that it was fully committed to devolution.

Most of these articles were of a much more critical bent when compared to the pre-1980 material and they substantially advanced the reservoir of academic literature on local government in South Africa. However, despite this advancement, the writer still felt that most of these publications (including his own contribution) had covered the topic in an empirical and atheoretical way. There had been little attempt to locate these local government developments in terms of some theoretical paradigm which could help illuminate these changes in a more schematic fashion. Accordingly, background research into relevant local government theory was undertaken over the past few years. As a result of this research, the writer was able to utilise an analytical framework which could help determine the degree of decentralisation that had occurred in South Africa in the 1980s. It was decided that this framework should be a major thrust of this thesis.

Another source of concern was the way that decentralisation had been bandied around in a loose way by both academics and government actors. As its title indicates, this thesis attempts to distinguish between different forms of decentralisation; namely, devolution, delegation and deconcentration. There are important differences among these types of decentralisation (which are examined in 2.2 Terminology). It was felt that the framework of analysis could help one distinguish between the different forms of decentralisation.

It was also felt that this issue of devolution had to be covered in a more comprehensive way than had been the case hitherto. Most of the recent material on devolution had been approximately 20-page articles. There was a need for a greater in-depth look at the issue. Accordingly, it was decided to study the factors leading to, and the major features of, new local government legislation in extensive detail. For this section it was also felt that theoretical public policy analysis material would be useful when dissecting the factors which led to the South African state introducing devolution as a policy. Public policy concepts were accordingly applied in this section of the thesis.

1.2 Objectives of this Study

The primary objectives of this study are:

- i) to trace the evolution of the South African state's policy of devolution of powers to local authorities in the 1980s;

- ii) to examine critically the main features of new local government legislation in this period, with particular reference to the devolution of powers policy;
- iii) to apply a normative framework for analysis, which can help serve as an heuristic device in determining the extent of decentralisation that has occurred, to selected local authorities in the Western Cape.

The choice of these particular objectives warrants further explanation. Firstly, objectives (i) and (ii) look at the policy dynamics and new legislative measures at central level, while objective (iii) entails the application of the framework of analysis at local government level. There are inextricable links between these macro- and micro-levels. It will be argued that the devolution policy was made in an elitist top-down fashion to ensure that central control was kept over the reform process. The National Party (cited hereafter as NP), while committed to limited power-sharing, had no intention of allowing the reform process to spiral out of control. This had as a corollary a reluctance on the part of the national government to devolve extensive powers to local authorities because of the fear that it would give opposition groups a platform which could be used to undermine central policy. This issue will be highlighted in the case studies on local authorities.

Furthermore, while it is axiomatic that an examination of local authorities cannot take place in isolation from national political developments, in South Africa this is doubly so. It became apparent during the course of the

research that a thorough examination of the complex neo-apartheid central government system that was introduced in the 1980s was needed in order to make sense of developments at local government level.

Secondly, why was the 1980s chosen as the selected time-period? One obvious answer is that a decade is a logical era to study. However, there is a more substantial reason than this. The 1980s also neatly co-incided with developments in South African local government. 1980 saw the release of the Report of the Committee of Inquiry into the Financing of Local Authorities in South Africa (Browne Committee) which served as the catalyst for local government restructuring later in the decade. Furthermore, this period is known as the era of the limited Botha/Heunis reforms. P.W. Botha was first Prime Minister (1978-1984) and subsequently State President (1984-1989) and Chris Heunis was Minister of DCDP from 1982 to 1989. The government abandoned certain traditional apartheid tenets in the 1980s and this, as a consequence, led to the restructuring of local government. The personalities, management styles and the basic ideological orientations of both these individuals played a major role in determining the shape of the new local government system (as will be discussed in Chapter VI). Botha was effectively forced out of office in 1989 and Heunis decided not to stand for re-election in the October 1989 general election. During the early 1990s the new State President, F.W. de Klerk, has moved beyond the limited reformist framework of his predecessor towards a more

democratic South Africa. The drawing of previously excluded groups into the policy process involves further local government policy changes. Thus, 1989 is an ideal cut-off point, because it was the high point of the particular system of neo-apartheid local government that was introduced earlier in that decade, and which is slowly being phased out in the 1990s.

The question may be raised about the relevance of this thesis in the rapidly changing political terrain of the 1990s, which is likely to see substantial central and local policy changes. It can, however, be argued in turn that these neo-apartheid local government structures were introduced only in the late 1980s and are not likely to be swept away overnight. As the reforms associated with the introduction of the tricameral parliament in 1984 have shown, even if a political settlement is reached in the early 1990s, administrative reorganisation will take longer to achieve.

In addition the existing structures, while not exactly building blocks of the new system, are a force that must be reckoned with and are likely to have a shaping effect on future post-apartheid administrative structures. These factors mean that a thorough examination of these existing structures is indispensable as one makes the transition to the new political order.

Why was the particular framework for analysis applied primarily to local level and not central level? As will be argued in Chapter III, there are a number of methodological

problems associated with applying such a model at central level. Accordingly, such a framework is better utilised in comparing different local authorities within a particular nation state. This leads to another issue. Which local authorities were chosen for analysis? It was decided to concentrate on the different forms of ethnic³ local authorities in the Western Cape. This would involve looking at White, Coloured and Black ethnic local government structures as well as the only racially mixed structure in the region, the Western Cape Regional Services Council (cited hereafter as WSRSC)⁴. This was not only because of ethnic differences per se but was also due to the fact that different intergovernmental institutional relationships existed for all these structures. This had important implications for the autonomy of these respective bodies.

Unfortunately, it soon became clear that it would not be possible to research a BLA structure. The initial choice was Ikapa Town Council (previously Cape Town Town Committee). However, due to the continued problems of BLAs (which will be described in Chapter VIII), this body was not formally functioning for large periods of the 1980s. In fact, in the latter part of the decade it was under the control of a White Administrator. It did not seem justified to research the body under such circumstances. The second choice was Lingeletu West in Khayelitsha. However, it began functioning only in late 1988. Furthermore, continuous violent unrest in the area in which dissatisfaction with local government administration played a

large role, made systematic access to this council's premises extremely difficult. The other BLA in the region, Old Crossroads, was subject to the same constraints as Lingeletu West, namely that it only started functioning in late 1988 and that there was continuous violent unrest in the area. It was accordingly decided, to omit this component of the thesis.

Merely because there is no case study on BLAs does not mean that they are not analysed. There is a comprehensive chapter on legislative measures in respect of these bodies in the 1980s as well as nation-wide community resistance to them. Furthermore, the case study on the WCRSC also touches on the problems of BLAs.

Finally, it must be pointed out that this thesis concentrates primarily on urban local government. It does not comprehensively examine rural local government. The latter field, which would encompass tribal local authorities, is in itself a vast area which is best dealt with in a separate study.

1.3 Research Content

The body of this thesis is divided into four main sections.

The first section covers the theoretical basis of decentralisation. Chapter II consists of a survey of international literature in respect of a whole range of dimensions affecting decentralisation. In Chapter III the discussion will turn to the framework of analysis which is used to determine the degree of decentralisation that has occurred in South Africa.

The second section is an examination of the history of local government in South Africa prior to the 1980s. This is split into two chapters. Chapter IV deals with White, Coloured and Indian local authorities, while Chapter V deals with Black local governments. The reason for having two separate chapters is that Black local government constitutionally and politically took a different route from that of White, Coloured and Indian local government. This section does not attempt to make any new contribution to the literature; it merely attempts to provide a brief overview of the system that existed prior to the 1980s.

Section three deals with central state restructuring of local government in the 1980s. Chapter VI deals with the policy process of local government. It examines, with particular emphasis on the central theme of devolution, how policy proposals were formulated to deal with particular problems and how specific proposals were chosen for adoption. Chapter VII concentrates on the analysis of the policy content of the new local government legislation in order to determine whether its main features embody devolution of power or not. Chapter VIII looks at developments in Black local government in the 1980s, with particular emphasis on the introduction of BLAs and its consequences.

The fourth section deals with the various case studies. Chapter IX looks at the extent to which the government decentralised power to the Cape Town City Council (cited hereafter as CCC) in the 1980s. Chapter X examines the

extent to which the government decentralised power to the Athlone and District Management Committee (cited hereafter as ADMC) in the 1980s. Chapter XI deals with the degree to which the government decentralised power to the WCRSC in the 1980s. In the Conclusion, and with reference to the framework of analysis, these various local bodies are compared. An overall evaluation of the devolution policy is also undertaken.

1.4 Public Administration Approach

This thesis does not deal with Public Administration theory per se. However, it is still considered a useful exercise to give a brief exposition of the Public Administration approach that will be adopted in this thesis.

Public Administration, as a discipline in South Africa, has traditionally been dominated by the administrative processes approach of J.J.N. Cloete, the dominant figure in the academic study of Public Administration in South Africa (see J. Cloete, 1967). Such an approach posits that Public Administration should consist exclusively of the study of certain work processes, viz. policy-making, organising, financing, personnel provision, the establishment of procedures, and the control over the execution of activities. Most of the pre-1980 local government literature had been from this administrative processes school. However, such an approach has been increasingly criticised. Its academic pedigree has been questioned on the grounds that it is a 'nuts and bolts' descriptive account of the work process. It lacks a theoretical basis and has accordingly lost touch

with Public Administration's mother discipline, Political Science. This has led to the subject being taught in a narrow technocratic way with an over-emphasis on organisational efficiency at the expense of broader social issues such as ethics and values. This contributed to a generation of technocratic bureaucrats who were insensitive to public needs, in particular to disenfranchised Blacks (see Marais, 1988; Schwella, 1990).

In the last couple of years there has been a shift among a small number of scholars towards what is termed New Public Administration. These scholars call for a more open-ended contingency approach to the study of Public Administration, believing that it is impossible to confine this eclectic, diverse subject in an intellectual strait-jacket as the administrative processes theorists attempt to do. They do not reject the administrative processes approach in toto; rather they believe there is a need for a more flexible approach encompassing both traditional principles of management as well as a more adaptive view of Public Administration to its total environment. Such an approach places a far greater emphasis on the study of the political, economic and social values in which Public Administration operates. Self-evidently, this involves a greater awareness of the needs and problems of those without full citizen rights, viz. Blacks (see Gildenhuis, 1988). The approach of this thesis is broadly within the ambit of this open-ended contingency school.

However, something this new school of open-ended contingency theorists has hitherto not done is to define exactly what this new Public Administration is. Although Public Administration is a broad discipline, it is necessary to delimit its boundaries, otherwise there is a danger that it could degenerate into a 'smorgasbord' approach, encompassing anything vaguely relating to administration. It is suggested that a useful definition, which captures the spirit of this new open-ended contingency school while delimitating disciplinary boundaries, is that of R.A.W. Rhodes. He describes Public Administration as the "multi-disciplinary study of the political management systems (structure and processes) of public bureaucracies" (1979 : 7). The strength of Rhodes's definition is that it correctly recognises that Public Administration combines the disciplines of politics and public management. Hopefully, the content of this thesis reflects this fusion.

1.5 Methodology

Documentary sources are the main form of primary research material. In the case of central government level this involved the perusal of Hansard, Acts of parliament, government commissions, gazettes and year books. At provincial level it involved the scrutiny of provincial debates, ordinances, gazettes and circulars. At local level, local authorities' minutes and publications were consulted. Secondary materials utilised were newspapers, periodicals, journals and books.

For the theoretical section of this thesis, the Institute of Local Government Studies at the University of Birmingham, one of the foremost institutions in the world in this field, was visited for three months. Both primary and secondary data were gathered from the Institute's extensive collection of local government material.

Part of the methodology utilised in this thesis involved the application of a normative framework of analysis, which could help determine the extent of devolution that has occurred to selected local authorities in the Western Cape.

Approximately 50 qualitative interviews were also conducted. At the University of Birmingham certain of their staff members, who have done extensive consultancy in both developed and developing countries, were interviewed. Central, provincial and local actors involved with local government in South Africa were also interviewed. A number of interviewees, in particular central and local bureaucrats, specifically requested that they did not wish to be quoted. In such cases the anonymity of the interviewees is respected.

It was originally intended that such interviews should form background material to the thesis, with the primary material consisting of documentary sources. This was achieved at the University of Birmingham where interviewees often provided the writer with the necessary documentary resources to substantiate the oral points they made. However, in South Africa neither the common law nor statute

bestows any rights upon citizens to obtain access to recent public sector documents and files. As a result, access to contemporary public sector information has always been rather restricted (Mathews, 1978 : 168). This already restricted access was further curtailed by the promulgation of the Protection of Information Act of 1982, which substantially increased the range of classified information in Public Administration (RSA, Protection of Information Act, No. 84 of 1982). These restrictions meant that there was difficulty in getting access to any written or printed information besides formal documents. This was, however, countered by the willingness of certain interviewees to reveal certain, otherwise unavailable, information. While documentary sources still form the bulk of the primary material, in view of the foregoing restrictions, it was decided to use some of this information gleaned in interviews for certain sections of this thesis. Because of the inherent subjectivity of qualitative interviewing (see Annexure A for a more comprehensive discussion of the methodology adopted), the writer was highly selective about what type of material was used in the thesis. Where possible, information drawn from interviews was corroborated and double-checked with other interviewees for authenticity.

For the sake of clarity, it is necessary briefly to discuss the tenses adopted in this thesis. As a general rule, processes and institutional structures in the 1980s which are no longer in existence (as at the end of April 1991) are referred to in the past tense, e.g. the nature of

policy-making under P.W. Botha. On the other hand, processes and institutional structures which are still in existence are referred to in the present tense, e.g. the Management Committee system.

A full list of acronyms is provided at the beginning of the thesis. In addition, the practice will be to give acronyms their full title the first time they are used in the text; e.g. Department of Constitutional Development and Planning (cited hereafter as DCDP). Thereafter only the acronym will be used, with the exception of legislation and in chapter and sub-section headings, where titles will be cited in full.

When referencing publications of state departments, the name of the department will follow 'RSA', e.g. (RSA, DCDP, 1980). Where cross-referencing occurs it will indicate other numbered sub-sections. For the sake of brevity, the term 'sub-section' is not included. Cross-referencing will accordingly take this format: (see 4.2 Constitutional Relations). Finally, notes to each chapter are situated at the end of the thesis and not at the end of each chapter.

SECTION I

CHAPTER II

LOCAL GOVERNMENT: INTERNATIONAL LITERATURE REVIEW

2.1 INTRODUCTION

The optimal division of governmental powers has held the attention of policy-makers since the time of Aristotle and the Greek City States (Fesler, 1949 : 1; Maass, 1959 : 1). This problem has traditionally been defined in terms of the division of functions at the capital city of a country (Fesler, 1968 : 370). The classical expression of this relationship was Montesquieu's Spirit of the Laws (1749) where he argues for a tripartite division between legislative, executive and judicial powers (cited in Beekman, 1973 : 1).

Important as this capital division of powers is, it is not the concern of this dissertation. The focus here is rather on the question of governmental power by area. The latter field has traditionally been the poor relation of the capital division of powers. It is only since the emergence of the federal polity in regional and local governments sometime in the second half of the 18th century that serious academic attention has been focused on this areal division of powers (Mutlalib and Ali Kahn, 1982 : 97).

This areal division of powers is more commonly known today as intergovernmental relations. Within this broad generic field it is possible to identify different areas of analysis. The precise concern of this thesis is central-local relations, viz. the relationships of control and power between central and local government. In this chapter the

normative basis of this field will be examined. This will be done with reference to international literature on the subject.¹

This thesis concentrates exclusively on the question of decentralisation of governmental power to local authorities. Decentralisation is not synonymous with autonomy. The former concept is a necessary, but not sufficient condition of local autonomy (Smith, 1985A : 92). This means that the studies of community power which analyse local autonomy are excluded from the orbit of this examination. The concern of analysts in this field is the extent of community autonomy, viz. the proportion of community decisions taken by local actors within sub-national jurisdictions (Clark, 1974 : 22-24).

Also excluded from its scope are a number of neo-Marxist theories. The strength of these theories is their highlighting of the deficiencies of traditional inter-governmental approaches which ignore issues such as who has wealth and power and, accordingly, the ability to influence local policy-making disproportionately. However, as Rhodes (1981 : 13) points out, "The contributions of this tradition have been negative rather than positive - i.e. it has highlighted the defects of conventional forms of analysis rather than providing a redefinition of the subject matter of research with supporting empirical investigations."

2.2 TERMINOLOGY

There is little conformity when it comes to the use of concepts in the field of intergovernmental relations. It is contended that the most useful classification is that of Rondinelli (1981), who clearly distinguishes the various forms of decentralisation in a way that other definitions fail to achieve. Another reason is that this classification has been used extensively in South Africa in official reports and by government officials.

Decentralisation is defined as:

the transfer of responsibility for planning, management and resource use and allocation from the central government and its agencies to field organisations of these agencies, subordinate units of government, semi-autonomous public corporations, or non-governmental private or voluntary organisations (Rondinelli, 1981 : 137).

Territorial decentralisation (or vertical distribution) involves the central government vesting power in entities which exercise authority with reference to some geographical unit such as a region or local government. Functional decentralisation (or horizontal distribution) is the distribution of authority outside the centre, with reference to function and not territory, for example the Department of Posts and Telecommunications, which has regional offices throughout the country providing postal services (Calvert, 1975 : 5-11 and Rondinelli, 1981 : 137). It is this territorial decentralisation which is the major focus of this thesis.

Devolution is the most extensive form of decentralisation. It is the "conferment of rule-making and executive powers of a specified or residual nature on formally constituted sub-national units" (Vosloo, Kotze and Jeppe, 1974 : 10). This is the classical English local government model and it has the following characteristics:

1. Local authorities should be constitutionally separate from central government and be responsible for a significant range of services.
2. They should have their own treasury, separate budget and accounts and their own taxes to produce a substantial part of their revenue.
3. Local authorities should have their own personnel with the right to hire and fire such staff.
4. Policy should be decided by local councils, predominantly consisting of elected representatives.²
5. Central government administrators should only play an indirect advisory, supervisory and inspectorate role.

These characteristics distinguish autonomous local governments from other forms of sub-national units (Mawhood and Davey, 1980 : 405; Mawhood, 1983 : 9-10 and 1987 : 12). However, devolution does not mean that local authorities have carte blanche to do as they wish. They are not city states; their ability to make policy is limited in a number of ways, for example they cannot make laws which conflict with national legislation and their powers are often specified by a higher tier of government (see 2.4 Federalism vs. Unitarism). Furthermore, provision often exists for a

higher tier of government to approve local government legislation before it becomes law (see 3.7 Hierarchical Relations).

Deconcentration is normally the least extensive form of decentralisation. It often involves the transfer of the workload from the central government head offices to regional branches located outside of the executive capital (Rondinelli, 1981 : 137 and Maddick, 1963 : 23). It may involve limited discretion for field staff to perform functions within central government guidelines. Effective control over major policy decisions normally resides at central level. However, in certain instances, such as the case of British District Commissioners in colonial Africa, fairly extensive powers were vested in deconcentrated officials (see contributors to Mawhood, 1983).

Delegation falls somewhere along the continuum between decentralisation and deconcentration. Delegation can entail the transfer of broad authority to plan and implement decisions concerning specific activities to organisations such as local authorities that are technically and administratively capable of performing them (Rondinelli, 1981 : 138). Although delegated power is normally controlled by the attachment of conditions by the delegating body, this form of delegation leads to the exercise of a certain amount of judgement and discretion on the part of local authorities. A weaker form of delegation is when local authorities execute policies made at central government level in a way which allows them little

discretion. What is common to all forms of delegation is that the delegating body has the authority to modify, reduce or withdraw such powers if it so desires (Fesler, 1968 : 372-3). Delegation highlights the fact that a large workload at local government level does not necessarily mean extensive devolution.

Fesler (1968 : 373) calls what has been defined as delegation and deconcentration 'pseudo-decentralisation' because its motivation is administrative convenience, namely, to reduce the workload in the capital. This administrative overburden often leads to excessive delays and inefficiency (Maddick, 1963 : 34). Dear and Clark (1981 : 1280-81) go even further and argue that these forms of decentralisation are motivated by a crisis-avoidance strategy of central government. By transferring the execution of contentious policy issues to local government level, it is hoped that the legitimacy crisis of the central state will be reversed. In other words, the aim is to ensure that citizen demands for services are directed at a local level which consequently removes some of the pressure from the national level. However, policy-making still resides at the national level. Any dissatisfaction about service provision would be at local government level, which would have to deal with effects that are not of its own making.

As pointed out, deconcentration and delegation can lead to a certain amount of discretion in planning and implementing national policies at local level and adjusting

central directives to local conditions within national guidelines (Rondinelli, Nellis and Cheema, 1984 : 10). It has been argued that this process could be the first step towards greater decentralisation (Rondinelli, 1981 : 137), but there is no guarantee that this will necessarily be the case.

Centralisation generally has negative connotations, often being associated with red tape, rigidity and remoteness. This term is often used in a pejorative way to label things that are disliked about political and administrative systems (Smith, 1979 : 215). However, centralisation needs to be defined in a more schematic way.

Sherwood (1969 : 68) suggests that "centralisation is best defined as involving the concentration of power at the top of the pyramid". A more comprehensive definition is that of Kaufman:

A centralised organisation or institution is one in which the lower levels and employees assigned thereto are subject to central directives and discipline and identify in one way or another with the centralised leadership, for example, professionally, by interests, or in goals and values. Central control of finances and public policy are basic elements. Machinery for communications, reporting, inspection, record-keeping and conflict resolution will exist at the higher level or at least be responsible to the central unit (cited in Stephens, 1974 : 68).

Each of these various forms of power relationships will reflect a quite different set of central-local relationships with the distribution of power being located at different

levels along the centralisation-decentralisation continuum. However, the local administrations of most countries in the world contain elements of devolution, deconcentration and delegation. The important aspect is how these elements are balanced (Wraith, 1971 : 156-157). There is also no such thing as absolute centralisation and decentralisation. Fesler (1949 : 62 and 1968 : 371) points out that total decentralisation would lead to the withering away of the state and as a corollary, anarchy. Conversely, total centralisation would mean that the state's capacity to perform its functions would be hindered by excessive rigidity and overload.

Decentralisation is a relatively complex phenomenon. It is not merely a matter of one form of decentralisation or another. It must be seen as a process rather than a product (Calvert, 1975 : 10). As Kochen and Deutsch (1980 : 205) and Fesler (1965 : 536) point out, this concept is not static but dynamic and contains within it ubiquitous tensions. A state may be more centralised than another in respect of one measure, but more decentralised in terms of another (Page and Goldsmith, 1985 : 176). For example, devolution can be looked at in respect of both policy and financial measures. A state is devolved in the former measure and centralised in the latter aspect when the central government can limit the amount that local authorities can spend on particular functions, while allowing considerable latitude in respect of policy goals. Conversely, a state is centralised in the former aspect and

devolved in the latter measure when the amount that can be spent is left to the discretion of the local authority concerned, while the central government lays down certain policy goals and standards (Hansen and Kjellberg, cited in Paddison, 1983 : 153).

Although it is these concepts that are going to be utilised, it is worth mentioning some of the other classifications. In terms of Mawhood's classification (1983 : 1-5), decentralisation would be equivalent to the stated definition of devolution. Deconcentration would seem to cover both the stated definitions of deconcentration and delegation. A number of other authors (see Maddick, 1963 : 23 and Conyers, 1983 : 102) also fail to make this distinction between intergovernmental decentralisation to local government units and intragovernmental decentralisation to central government field offices, using deconcentration as this broad encompassing term. Sherwood (1969 : 68) offers a further alternative classification. He argues that devolution is the creation of new units of government outside the control of central government, viz. interorganisational patterns of power relations, while decentralisation is the transfer of power within a hierarchical organisation, viz. an intraorganisation pattern of relationships.

Finally, although all these definitions are analytically useful, they are not sufficient explanations unto themselves. An over-reliance on formal relationships glosses over the fact that the wishes of central government

are not always carried out uncritically by local authorities. Government policies can often be modified, amended and subverted at local level, leading to unintended consequences (see 2.11.2 Intervention and Control and 2.11.3 Implementation Studies).

2.3 THE VALUES OF LOCAL GOVERNMENT (OR ARGUMENTS FOR LOCAL GOVERNMENT)

The text edited by Maass (1959) has been one of the most influential works on local government. The book argued that the justification of the existence of local government was that it promoted the values of liberty, participation and efficiency.³ These claims will be examined in detail.

2.3.1 Liberty/Democracy

Maass (1959 : 9-10) argues that local government promotes the value of liberty. If power is divided on an areal basis, it can protect individuals/groups against arbitrary government action. Ylvisaker (1959 : 32) suggests this value can be realised by

1. providing additional and more readily available points of access, pressure and control;
2. making it possible for minorities to avail themselves themselves of governmental position and power;
3. serving to keep governmental power close to its origin and governmental officials within reach of their masters.

This liberty value has its origins in De Tocqueville, who argued that local government, if effective, is a major source of the pluralist diffusion of power, contributing not

only to the greater liberty of communities, but also to that of individuals, by imposing restraints on the 'power appetites' of central government (cited in Mutlalib and Khan, 1982 : 96).

Strong local government is accordingly viewed as an important mechanism of limiting or counter-balancing the power of central government (Werlin, 1980 : 186).

Decentralisation, by dispersing resources, tends to dilute the power of the strongest (Kochen and Deutsch, 1980 : 201). This type of argument strongly influenced the framers of the United States of America (cited hereafter as USA) constitution and is part of its checks-and-balances system.⁴

This argument has been substantiated by events; for example, in France in 1789 and at the end of the 19th century (Mutlalib and Khan, 1982 : 96), as well as by developments in Africa after decolonisation (Diamond et al., 1988).

However, while these arrangements have undoubtedly prevented the growth of central tyrannies, they have not always stopped the development of local tyrannies. Sharpe (1970 : 156-8) argues that there is no reason why a local government cannot infringe individual rights in the same way as certain central governments have done. Central government does not have a monopoly on arbitrariness. He suggests that the concept of liberty propounded by Maass and Ylvisaker is not based on individual rights, but rather corporate policy decisions. He sees "a mistaken

identification of the liberty of individuals with the liberty of communities" (Sharpe, 1970 : 157).

A related point is, to what extent do local authorities promote democracy? It is pointed out that decentralisation is often used as a near-synonym for terms like democratisation and self-determination (Kochen and Deutsch, 1980 : 4). Fesler (1965 : 538-534) calls this the doctrinal approach in which decentralisation is treated as an absolute goal in itself rather than as a means to an end value. It tends to be used as an article of faith rather than a concept that should be subjected to critical analysis.⁵ Schmandt (1973 : 18) says "that once this occurs understanding ceases and obfuscation triumphs."

There is nothing inherently progressive about decentralisation. Fesler (1965 : 545) points out firstly, that both local and national government can take a number of forms and neither has a distinctive impulse towards democracy. Secondly, decentralisation can quite happily co-exist with the absence of local democracy. Local autonomy can quite feasibly operate in an autocratic environment; for example, in the United States, discrimination by southern sub-national units towards their Black minorities led to greater federal control. Decentralised powers allowed such localities to neglect civil rights and the demands of the poor (Dye, 1975 : 41-67). Further, the origins of the centralised form of government that existed in France (until the decentralisation reforms of the Socialists in the 1980s) can be traced to the pre-

revolutionary experience in which notables used local institutions as instruments to block social reform. Support for decentralisation was construed as support for privilege and reaction. Conversely, centralisation had progressive connotations, being associated with the furtherance of democracy (Gourevitch, 1981 : 133-4).

In certain instances, it has been central government that has promoted social and economic equality of opportunity, for example through the provision of social welfare services to the less privileged (Fesler, 1965 : 549). As Fesler (1965 : 549) points out:

One of the most curious aspects of decentralisation is the responsibility that a national government must assume to assure realisation of the goals that decentralisation, as doctrinally advocated, is supposed to serve. National legislation, overriding local objections and implemented by national administrative action, is often required to democratise the selection of local officials, to establish viable units of government with the size, resources and diversity of interests that are preconditions for effective local government, to recruit and train skilled staff for local administration, to minimise corruption and regularise fiscal practices, and to provide grants from national revenue to help finance the more impoverished communities.

Probably the most forceful intellectual challenge to local government in recent times has been Langrod's argument in 1953. Not only does he argue that local democracy promotes inequality, but he also claims that there is a fundamental contradiction between local government and

democracy. Local government is anachronistic; it often serves local oligarchies, has outdated work methods, is characterised by disproportionate influence of bureaucrats vis-a-vis temporary councillors, and is a brake on modernisation. Accordingly, it is anti-democratic and "local government has within itself, inevitably, the seed of its own death once the process of democratisation is accomplished" (Langrod, 1953 : 32-33).

Langrod was a professor of Public Administration in Paris and his argument was a reflection of the French administrative system which was supposedly based on the Rousseauian general will; viz. that interests of the popular will must take predominance over any minority interests.⁶ While, as already pointed out, Langrod was correct to point out that local government and democracy are not historically associated,⁷ he overstates his case. In many respects, his argument is a centralised version of the decentralised article of faith viewpoint, whereby centralisation is treated as an absolute good in its own right and not subject to critical analysis. While local authorities are undoubtedly responsible for a certain amount of social and economic inequality, it is fallacious to label all local authorities as reactionary. As Jones and Stewart (1982 : 12) remark: "If a local authority makes a bad decision, it is a case against local authority and for centralism, but if central government makes a bad decision, the reverse does not apply."

Summing up this liberal value debate: while it is true to say that the dispersal of power makes it more difficult for a central tyranny to develop, this in itself is no guarantee that local authorities will ipso facto promote liberty or democracy.

2.3.2 Participation/Equality

The second value is that of equality. Government power can be divided so as to provide broad opportunities for citizen participation in public policy (Maass, 1959 : 9-10). Nowadays, equality is seldom used in its old-fashioned sense of political equality. Sharpe (1970 : 155-6) says this term is confusing because local government (as we have already shown) can also promote social and economic inequality. For this reason he prefers the term "participation" (156).

He also thinks this claim has more substance than the liberty argument. Participation at local government level is superior to that of central government level, because it enables more citizens to participate in smaller local government units that directly affect their local environment. This is of particular salience in larger democracies (Sharpe, 1970 : 166).

This is a forceful argument, but there is a caveat which is conceded by Sharpe: "The key question is participation in the government of what?" (1970 : 160). Participation tends to be somewhat meaningless unless there are sufficient functions over which local authorities have a broad range of decision-making powers and sufficient

financial resources to carry them out. As will be pointed out (in 2.7.6 Centralisation Trends) the general trend in the 20th century has been for local authorities to lose both powers and functions to central government.

A related facet of participation is that of local government as a political educator, viz. as a mechanism for promoting a democratic political culture through the medium of self-government. This view dates back to the time of James Mill and De Tocqueville. The problem with this claim is that it is difficult to envisage councillors (a small percentage of most countries' population) by virtue of the precept example, promoting a democratic political culture and extolling the virtues of democracy to the wider population (Sharpe, 1970 : 160-2). Further, such a claim ignores the effect to which political education is the function of wider processes and institutions (such as class and education generally) (Smith, 1985A : 22).

Another participatory value is that as a training ground for democracy. Both representatives and councillors benefit from this process (Sharpe, 1970 : 163; Maddick, 1963 : 58). This claim is also inconclusive. Firstly, councillors and Members of Parliament (cited hereafter as MPs) tend to perform different roles. Secondly, the private sector milieu can provide training comparable to local governments. Such organisations can provide experience in terms of policy-making, budgetary allocation, etc. (Smith, 1985A : 22-3). Secondly, such training could also be undemocratic if local authorities promote sectional

interests rather than the (putative) general will (Langrod, 1953 : 31).

A more recent variant of this value is participation in the actual delivery of services (Widdicombe, 1986 : 49-50). The argument is that consumers should actually have a say in the nature of local authorities' services that are delivered to them. This is currently a major issue in England with Neighbourhood Area Committees, User-based Committees and Tenants' Associations advocating that they should have a certain amount of control over services that are rendered to them (Stoker, 1988 : 204-206).

Summing up, one would agree with Sharpe that this value is still valid, although perhaps not to the extent that its 19th century promoters advocated (cited in Stewart and Greenwood, 1985 : 4). However, this move towards consumer participation in the 1980s seems to have resurrected this value.

2.3.3 Responsiveness/Efficiency

The third value of local government is that it can act as a more responsive agent for the provision of services that are essentially local in nature. It is accordingly a more efficient way of managing local affairs and providing local services. This is sometimes known as the welfare function of local government (Ylvisaker, 1959 : 32 and Smith, 1985A : 28).

The basis of this justification is that central government has neither the time nor inclination to establish the optimal mixture of services desired by each locality.

Local governments, because of the greater closeness to their voters, are likely to have greater knowledge of the needs and conditions of their respective localities than the remote central governments (Sharpe, 1970 : 166; Stewart, 1983 : 16; Smith, 1985A : 28-30). Why can the field agencies of central government departments not perform these local tasks of identifying the optimal amounts of services desired by various localities? The problem is that such single-function agencies based on functional specialisation and departmentalism would not be able to coordinate all these diverse activities in an efficient way. Local authorities, being multi-functional organisations, would be better capable of doing so (Sharpe, 1970 : 166).

Both Sharpe (1970 : 168) and Stewart (1983 : 13-14) think that this claim for local government as a responsive service provision agency has much validity. Sharpe argues the justification for the responsiveness value is on much stronger ground than that for the liberty value. It has been suggested, however, that there are certain problems with this proposition. Firstly, it fallaciously presumes that "local people whose wisdom is accumulated for this purpose are presented as a unified mass with a common interest in getting things right" (Smith, 1985A : 29). However, although local people undoubtedly do not have a superior wisdom, they are likely to know better than central government what local needs are and the optimal amount of services needed to meet them. This claim for local government as a responsive service provision agency does,

however, ignore the reality of conflicting needs in the same community and the fact that certain classes/interest groups have greater ability to influence local policy-making (Smith, 1985A : 29).

Thirdly, in the complex contemporary world of inter-governmental relations there are few functions which are essentially local in nature (Page, 1981 : 31). Even in a federal state like Switzerland, which is generally considered to be highly decentralised, functions which are the exclusive domain of one level of government tend to be the exception rather than the norm (Bieri, 1979 : 45). The only functions where there is little overlapping or sharing are traditional central government functions, e.g. law and order, military defence, tariffs and fiscal policy, communications and coinage (Maddick, 1963 : 29) (see 2.4 Federalism vs. Unitarism).

Fourthly, the question of responsiveness is intimately linked to the issue of accountability and control. It is argued that decision-makers are responsive to local demands precisely because they are accountable to local voters, viz. voters hold decision-makers responsible for their actions. Councillors who ignore the wishes of the electorate will be voted out of office. Voters' control is regarded as an effective check on the actions of councillors (Rondinelli, 1981 : 135). The problem with this argument is that it ignores the fact that there is large-scale ignorance and apathy about local government. Turnouts are often low at local elections which are often decided not by local but

rather by national issues (Foster, Jackman and Perlman, 1980 : 16). A summary of European Economic Community (cited hereafter as EEC) countries showed that there was smaller participation in local elections than in national elections in six of these states. There was equal participation in the other three countries (Council of Europe, 1978 : 9).

However, such factors are to a certain extent problems of representative government generally rather than of local government specifically. Election turnouts are low at national level in certain countries such as the United States. A case can also be made for flawed accountability at this level by arguing that it is impossible for voters to make an informed judgement about government policy when faced with making choices about such a large number of disparate issues at election time. Voters tend to make their electoral judgements on the basis of only a few issues and the belief that a particular political party will adequately represent their interests.

Fifthly, concern has been expressed that because of varying tax bases, an essential feature of local government is inequality of services between units (see 2.10.4 Equity/Territorial Justice). Although this is true, local government is not the primary source of inequality in society. Central governments, as the supreme political power in states, are able to produce inequalities that can at least match that of local governments (Sharpe, 1970 : 169-70). Market forces are another source of inequality

because of their propensity to aggravate intense class divisions in society.

However, despite these shortcomings, local government is still a more preferable service-providing body than deconcentrated administration which merely carries out functions whose policy has been determined by central government. There is generally greater scope to influence representative local authorities through the electoral process than there is to persuade non-representative deconcentrated administrations to alter their policy (Smith, 1985A : 27).

2.4 FEDERALISM vs UNITARISM

Until recently it has been regarded as almost axiomatic that the constitutional first tier framework is the definitive factor affecting local government autonomy. Federal states were thought to facilitate decentralisation (Riker, 1975; Ostrom, 1973). In fact Lockard (1968 : 452-453) refers to the federalist/decentralised model in the authoritative International Encyclopedia of Social Sciences. It was argued that in federal states power is shared among the various tiers of government and the rights of sub-national units generally are derived from the constitution and cannot be abridged by national legislation⁸ (Wheare, 1981 : 10; Alexander, 1982 : 3-4).

Conversely, it was held that in a unitary state power is indivisible and local government is subordinate to the supremacy of national level legislation (Alexander, 1982 : 3-4). For example, under the British system of local

government which was inherited by most of its former colonies, including South Africa, the doctrine of ultra vires applied; viz. that local authorities could only pass a statute if it was specifically authorised by a higher tier of government. Such higher tiers of government could also countermand legislation by local authorities (Byrne, 1986 : 54-56).

However, this equation of unitarism = centralisation and federalism = decentralisation is too simplistic. Lijphart (1984 : 169) points out that federalism is neither a necessary nor sufficient condition for decentralisation. Reality is far more complex. There are different forms of federal states. The common conception of federalism is that of divided sovereignty. Yet, as Calvert (1975 : 8) points out, this is a legal definition. In practice, the location of power may be centralised or decentralised, so that it can range from resembling a confederation on the one hand to a unitary state on the other. A federal state can have both autonomous and dependent local governments (Gelfand, 1985 : 239). In West Germany, Bavaria is, among all states, the most federalist in relation to Bonn and the most centralist in relation to its own provinces (Dagtoglou, 1975 : 147). In fact, in the Third World there seems to be an inherent conflict between federal arrangements and decentralisation of powers to local authorities. In countries such as Nigeria and Brazil, second tier authorities have been particularly centralist towards local authorities, often denying them financial resources. This is because

they regard third tier structures as a threat to their own power (Mawhood, 1989A : 5-6).

Further, there exists a perception of federalism as a constitutional division of authority between central and subordinate tiers of government, with each tier exercising their powers independently of each other; viz. dual (or 'layer cake') federalism. This existed in the late 19th and early 20th centuries but is nowadays rejected as obsolete by intergovernmental relations theorists. The general trend in the 20th century in both unitary and federal states has been the expansion of central government at the expense of sub-national units of government. A more plausible concept to describe contemporary intergovernmental relationships is that of co-operative (or 'marble-cake') federalism; viz. national and subordinate governments working together in the same areas, sharing functions and powers (see 2.7

Centralisation Trends for the reasons for this trend)

(Reagan and Sanzone, 1981 : 28).

Similarly, there are different forms of unitary states. As Calvert (1974 : 8-9) points out, the idea that sovereignty is undivided and wholly located at the centre in a unitary state is also a legal definition. It does not preclude the distribution of authority, both vertically and horizontally. Some unitary states have devolved not insignificant powers to local level. For example, local governments in Sweden and Holland (both unitary states) have a high degree of local autonomy (Lockard, 1968 : 454). In both these countries, the historical tradition of local

government is an explanatory factor, and in Sweden the rights of local government are enshrined in the constitution (which is unusual for a unitary state) (Gustafsson, 1981 : 76-92). Furthermore, while the ultra vires doctrine, one of the prominent features of many unitary states, is restrictive in that it prevents local authorities from responding to newly emerging needs it can, in certain instances, enhance autonomy too. Those functions conferred upon local authorities by statute very clearly belong to them and are usually performed exclusively by them (Davey, 1989 : 16-17).

Calvert (1975 : 8-9) goes on to suggest that the extent of autonomy is influenced by other factors, in particular the power of sub-national units to tap major sources of revenue. If too much of this power is located in subordinate institutions, there may be a tendency for the unitary state to resemble a federation. Conversely, if too much power is located at the centre, decentralisation may exist on paper only. This relationship between finance and decentralisation is, as will later be examined, also a highly complex issue with no clear-cut answers. Perhaps the most illuminating suggestion is that of Dagtoglou (1975 : 135-6), who argues that the choice between federalism and unitarism is a constitutional one, while the choice between centralisation and decentralisation relates mainly to public administration. Thus, there can be a difference between the formal constitutional provisions of a state and its actual political functioning.

It has been argued that one distinctive feature of federalism is that the percentage of central government's share of tax receipts is lower in federal than in unitary states (Lijphart, 1984 : 176-179). However, this is an unreliable index of autonomy. Lijphart does not examine constraints on subordinate units' ability to spend the money they raise, nor does he adequately deal with the issue of how central grants distort such figures (also see 3.6.4 Local Expenditure as Percentage of Total Central Expenditure).

These factors have tended to blur the differences in decentralisation between federal and unitary states. In fact, Gelfand (1985 : 234-5) argues that until the introduction of legislation by the Thatcher government in the 1980s, which has severely eroded local autonomy, local government in unitary Britain was somewhat more autonomous than the federal arrangement in the USA. Smith (1985A : 15) says that the only crucial difference is in the procedures required to amend the intergovernmental relationships. In federal states this involves independent adjudication and the representation of the states, regions or provinces at central government level. In unitary states, it is theoretically possible for the central government to revoke all sub-national unit autonomy.

2.5 DIFFERENT FORMS OF FIELD ADMINISTRATION

Field administration is a form of deconcentration in that agencies exist at local level and are part of the country's bureaucratic organisational structure. Such local agencies

are usually manned by civil servants (Smith, 1985A : 142-143). The need for deconcentrated field administration has already been pointed out (see 2.2 Terminology). In this section three main types of field administration, namely prefectoral, functional and communist, will be briefly discussed.

In terms of the prefectoral system, the central government divides the whole country into regions/provinces and appoints a prefect for each area. The central government department (or departments) issues instructions to the prefect, who in turn issues instructions to the field agents, including elected mayors, under his control after adapting these instructions to the conditions of the area. This ensures that a pyramid of central command can be applied nation-wide. The best example of a prefectoral system is France (Fesler, 1968 : 324; Smith, 1985A : 153-155).

In terms of the functional system, government is organised in terms of special tasks or a related set of activities. This entails dividing the country into suitable areas for the particular function and the creation of watertight departments to administer these different functions. There is a hierarchic chain of command from the centre to regional/provincial and then to local agencies. Responsibility for the implementation of central policy can also be delegated to local level. Functional systems of administration are found in the United Kingdom and most of its erstwhile colonies. Such systems often co-exist with

elected local governments (Fesler, 1968 : 324; Gunlicks, 1986 : 202-3; Smith, 1985A : 152-153).

The general characteristics of the traditional communist model are:

1. Theory of mass participation and control. Theoretically, local government activities are subject to supervision by democratically elected councils.
2. Integration of party and state. In U.S.S.R., Soviets are expected to function under the supervision of the appropriate local party organs.
3. Extent of government responsibilities and the complex interrelationships between local councils and the other state organisations at the lower level. Smith (1985A : 140) suggests that decentralisation, state socialism style, is a smokescreen for the centralisation which the single-party system makes possible. Jacobs (1983 : 17) concurs, arguing that local government is subordinate to the Communist Party.
4. Democratic centralism; viz. local administrative agencies are answerable to both the local elected body and higher level administration (Smith, 1985A : 137-40).⁹

The issue of these different types of local government administrative systems tends to cross-cut the federal-unitary debate. All these systems can be either federal or unitary. Nor is the issue particularly informative when it comes to the question of decentralisation. It is not universally accepted that the prefectoral system in France

is less decentralised than the functional British model (Ashford, 1982). Nor is it accepted that socialism is necessarily synonymous with centralisation. Yugoslavia has a federal constitution and has adopted policies that can be described as genuinely decentralist, so much so that Volgyes (1986 : 165) claims that "the autonomy of republics and provinces of Yugoslavia certainly matches and often exceeds the autonomy that the individual American states have."

2.6 FACTORS FAVOURING DECENTRALISED SYSTEMS

One of the few systematic attempts to explain different degrees of decentralisation within different countries was the 1967 doctoral dissertation by Professor Vieira, who examined the relative levels of devolution in 45 countries. He computed a devolution score for these countries, based upon the ratio of local government expenditure and receipts over a ten-year period (1953-1963) in both developed and developing nations. He also examined the extent to which certain factors in the environment seemed to correlate with devolution. His findings were:

1. The age of the nation - older, well-established governments have a higher degree of devolution than newer ones.
2. The size of the Gross National Product (cited hereafter as GNP) - those countries with high levels of GNP tended to have a higher degree of devolution than poorer countries.
3. The level of development of mass media. Those countries with a more sophisticated and widespread mass

communication system tended to be more decentralised than those with incipient or weak systems.

4. The level of industrialisation - industrialised countries tended to be more decentralised than those with agricultural economies.
5. The number of local governments.

The size and density of population and the physical size of the country were not significant, nor were the level of urbanisation, type of constitutional structures, ethnic composition of the population and public expenditure as a percentage of GNP (cited in Sherwood, 1969 : 70-75 and Rondinelli, Nellis and Cheema, 1984 : 7-8).

Rather surprisingly, industrialisation and urbanisation show opposite tendencies, with the former being associated with devolution and the latter not. Sherwood (1969 : 74-5) postulates that industrialisation with high technology and elaborate specialisation may be a precondition of a move towards a plurality of structures, in order to resolve the ensuing conflicts that complexity brings.

Besides these correlations, Vieira made two other significant findings. Firstly, that pluralist structures only seem to be tolerated when the integrity of the system was not threatened, viz. national unity seems a necessary precondition for devolution (Sherwood, 1969 : 75). The other issue is the relationship between structure and function. Did local government units or devolution come first? Sherwood (1969 : 76) suggests a relationship of

circular causation, in that "organisations act on their environments, as well as being recipients of environmental demands."

Although there are certain methodological problems with this survey in that the fiscal indices used would not be able to distinguish between the different forms of decentralisation, it is nevertheless an invaluable attempt to compare devolution on a cross-national basis.

2.7 CENTRALISATION TRENDS

The general trend in both unitary and federal states in the 20th century, particularly since World War II, has involved an increased growth of central government powers at the expense of subordinate tiers of government. What are the reasons for this?

Firstly, the creation of a modern industrialised state as a single political entity with a fixed boundary itself engendered an ineluctable centralising impetus (Sharpe, 1979 : 10). Secondly, there has been the move from the countryside to the cities following the development of industry in the latter. Mobility has also increased with car ownership and development of communications. This has led to a decline in the "sense of the locality and the corresponding nationalisation of attitudes and culture" (Sharpe, 1979 : 12). Thirdly, there has been the development of the modern welfare state, which has led to central government redistributing wealth to the less privileged. This has caused central government powers to grow at the expense of sub-national units, specially in welfare functions such as

education, social security and health. Citizens living in poorer regions now demand and expect similar public service to those living in more affluent regions. There is a widespread belief that only central government can bring about territorial equality, because local governments with limited jurisdictions are unable to achieve national equality (Dagtoglou, 1975 : 156-157; Paddison, 1983 : 107-108; Smith, 1985A : 80-81; May, 1969 : 445; Sharpe, 1979 : 14). This growth in the uniformity of service and standards has led Gunlicks (1986 : 198) to suggest that "the democratic welfare state may well be the enemy of local self-government" (see 2.10.4. Equity/Territorial Justice for a more detailed discussion of this issue).

Fourthly, with greater mobility has come the problem of spillover effects. In functions such as education, decisions made by regional/local jurisdictions will affect the whole of the country. Certain central control is needed to ensure there are no adverse spillover effects. Concern for these externalities has often been used as a motivation to transfer local government functions to higher tiers of government (Paddison, 1983 : 107; Sharpe, 1979 : 14-15).

Fifthly, there has been a massive expansion in the size and variety of government activities in the 20th century. Besides the factors already mentioned, wars, economic recessions and external economic, military and political threats have caused the role of central government to expand vis-a-vis sub-national units (Wheare, 1981 : 111-116 and 238-240; Smith, 1985A : 82). There have also been

complaints that this ever-increasing role of central government has been at the expense of civil liberties generally (Sharpe, 1979 : 12).

Sixthly, economic management has caused central government to grow at the expense of local units (Smith, 1985A : 180). It is widely believed that only central governments can achieve macro-economic objectives of full employment, price-level stability, rapid economic growth and balance of payments equilibrium (see 2.10.2. Macro-Economic Objectives). Further, modern economies are dominated by large financial, commercial and industrial institutions. Only central government has the capacity to regulate these conglomerates (Smith, 1985A : 79).

Many countries have attempted to arrest this drift towards centralisation by introducing decentralised policies (see Council of Europe, 1978). Although some countries have decentralised a reasonable amount of power in recent years, in the case of federal states it is still within the framework of co-operative federalism, where central and subordinate tiers of government share functions and powers. There has not been a return to the dual federalism system where different tiers of government operate independently of each other. A similar argument can be made for unitary states. (Also see 2.12 Decentralisation and Development for specific reasons why centralisation has occurred in the Third World.)

2.8 CONSOLIDATION OF LOCAL UNITS

The question of consolidation of local units has important implications for local autonomy. It has already been mentioned that decentralisation is ineffective if local authorities have inadequate financial, human and physical resources at their disposal (Rondinelli, Nellis and Cheema, 1984 : 63-69). It is often argued that one of the major reasons why local authorities lack these resources is that they are geographically too small.¹⁰ This has often led to central authorities consolidating local units. This can take the form of either reducing the number of existing units and creating fewer, but larger local governments, or alternatively creating an additional metropolitan tier of government (Rowat, 1980).

It is a commonly held view that there is a trade-off between efficiency and democracy. Larger units can provide services more efficiently than fragmented local authorities but at the expense of reduced opportunities for local office-holding and access to decision-making. Larger units, in particular metropolitan governments, have been accused of being too remote from the man in the street and as a corollary, unresponsive to citizen demands (Gunlicks, 1981 : 212-213; Johnson, 1979 : 236-237).

However, this efficiency/democracy dichotomy is fraught with problems. Firstly, it can be cogently argued that consolidation inhibits greater centralisation. Central government often intervenes in the affairs of poorer units because of the demands of citizens for a minimum standard of services which their localities cannot provide. The

creation of larger local units with sufficient financial and human resources thus pre-empts the need for central government to intervene in local government affairs (Rowat, 1980 : 290-211; Paddison, 1983 : 107-108).

Further, there is not conclusive evidence that large local authorities are more effective or efficient than smaller local authorities. The economies of scale of larger units has never been satisfactorily proved (Stewart, 1983 : 30; Smith, 1985A : 68-70). It is also extremely difficult to quantify the efficiency of certain local authorities' activities, e.g. creating public awareness about certain issues. Effectiveness is notoriously difficult to measure in the public sector generally because it often involves the harnessing of non-quantifiable social objectives.¹¹

Finally, there is a viewpoint which acknowledges the inefficiencies of fragmented local government, but argues that decentralised government, warts and all, is better than consolidated units, because it is inherently more democratic¹² (Hart, 1972 : 605 - 606).

Another issue pertaining to consolidation is the relationship between devolution and equity. The underprivileged are more adversely affected by fragmentation. Poorer local governments often fail to attain a minimum standard of services. Conversely, richer local governments are able to reap the benefits of metropolitan wealth, while largely escaping the costs thereof, e.g. they do not contribute to the cost of working class housing, while

accruing the advantages of their labour (Magnusson, 1981 : 570). There is a whole battery of zoning measures that richer local authorities can use to exclude potentially high cost residents who would increase the costs of public services, e.g. minimum plot sizes, the regulation of the value, type and size of dwellings, minimum building regulations (Wood, 1966; Dimond, Chamberlain and Hillyard, 1978). A metropolitan body is potentially progressive in that under certain conditions it can ensure the redistribution of wealth from richer local authorities/areas to poorer local authorities/areas of a metropolitan region. However, international and local evidence has shown that local authorities rarely organise effective co-operation voluntarily in respect of metropolitan-wide problems (CCC, 1982 : 776). Thus, for a metropolitan body to work effectively, it seems that participation must be mandatory indicating a trade-off between devolution and equity.

2.9 NATIONAL UNITY

An important issue is that of national unity. If the very fabric of a state is threatened, democracy is not likely to exist at all levels of government. Vieira (cited in Sherwood, 1969 : 75), Maddick (1963 : 40-41, 111), Mawhood (1974 : 514; 1987 : 20-22), Dawson (1978 : 80) and Tordoff (1980 : 387) all argue that insecure governments with a narrow basis of legitimacy will be reluctant to decentralise powers to local authorities because of the fear that they may be building up centres of opposition to their own rule. Young and insecure governments tend to centralise local

government powers; in particular, weak party systems are not conducive to decentralisation. Under such systems local authorities are viewed as dangerous rivals that must be suppressed lest they threaten the centre's power; Lesotho and Kenya being cases in point.

Rather paradoxically, it is secure autocratic governments, such as military regimes and one-party states, which tend to decentralise powers to local authorities. Such regimes are often secure enough in their power to decentralise powers to local authorities. They often feel that oppositional groups lack the capacity to organise effective resistance against them. The motivation is often the need to allow an outlet for popular representation at a level well removed from their own (Davey, 1983 : 21; Mawhood, 1987 : 20-22).

Fesler (1968) shows the contradictory nature of centralisation and decentralisation during the historical stages of national integration. He argues that a politically developing nation needs to promote integration and accordingly centralisation in order to overcome parochial loyalties that threaten the break-up of the nation. However, the geographically fragmented power structure often requires deference to local notables. He suggests that the successful balancing of these contradictory tendencies is often the essence of nation-building.

Conversely, a politically developed nation, where national loyalty to the state exists, can adopt an

intergovernmental system with an extensive degree of decentralisation. This consensus is possible "because there already exists a fundamental social centralisation - in the face of people's national identification, widely shared values and internalised restraints on highly parochial and norm-challenging negotiations" (Fesler, 1968 : 372).

Olowu (1988 : 18-19) points out that the view that political integration can be achieved by the imposition of core cultures and values came under severe criticism in Africa because it stimulated further strife and even secessionist movements. As a result there was a move towards promoting national identity through decentralisation. Decentralisation was thus used as an instrument of state-building and as a counter to secessionist pressures and other centrifugal forces that threaten political stability (Paddison, 1983 : 151). It sometimes resulted from the demands of ethnic/linguistic/regional minorities for greater autonomy. The argument is that political stability and national unity can be enhanced by giving minorities that are territorially based in different parts of the country the ability to participate more directly in decision-making at sub-national level. The objective is to improve the legitimacy of the system by giving minorities 'stake' in the system (Rondinelli, 1981 : 136; Rondinelli, Nellis and Cheema, 1984 : 20; Johnson, 1979 : 238).

2.10 FINANCE AND AUTONOMY

2.10.1 Intergovernmental grants

In virtually every country in the world, federal and unitary, central governments subsidise the revenue of subordinate tiers of government. The reasons for inter-governmental grants to local authorities are:

1. To ensure that local authorities can offer a minimum national standard for services which central government deems it is in the national interest to subsidise. It is of particular importance for functions where there are externalities, e.g. education.
2. To equalise disparities between the revenue bases of rich and poor local authorities. There is often considerable political pressure on the centre to ensure territorial equality (see 2.10.4. Equity/Territorial Justice).
3. To equalise varying expenditure needs of local authorities.
4. To alleviate the politically undesirable characteristics of certain local taxes, e.g. to reduce the regressive nature of rates/property taxes.
5. To compensate for the fact that central government is reluctant to devolve sufficient revenue-raising powers to local government. This is often due to macro-economic objectives (see 2.10.2. Macro-Economic Objectives).
6. To make national taxpayers bear a proportion of the cost of local services which otherwise would be an

intolerable burden on the local taxpayer (Byrne, 1986 : 201-202; Travers, 1982 : 4-5; Maynard and King, 1972 : 27; Smith, 1985A : 110-114).

The conventional view of the relationship between central government grants and local autonomy is that 'he who pays the piper calls the tune', viz. the greater the degree of central government subsidisation of local authorities, the greater the degree of control (Davey, 1971 : 45; Byrne, 1986 : 202). However, matters are sometimes more complex than this simple equation suggests. Smith (1979 : 22) proposes that there is no consistent relationship between central control and financial independence. For example, French local government (until reforms of the 1980s) was generally recognised to be highly centralised. In 1948 the communes and departments' current revenue was subsidised only to the extent of 12% and 34% respectively by the central state. In Japan local authorities raised 69% of their revenue from direct taxation, yet were highly controlled by the central government (Davey, 1971 : 48). In Netherlands, local authorities are highly subsidised by the central government (about 90% of revenue), yet they retain a great deal of autonomy. However, in the Third World, central financial control invariably leads to loss of autonomy (Mawhood, 1983 : 14).

There are a number of other issues affecting financial autonomy that have to be taken into consideration. Another important factor is the type of grants. General (block or unhypothecated) grants are untied funds which local

authorities can use to determine their budgetary allocation in the way they deem fit. Specific (hypothetical grants) are tied funds for a particular service or section of a service. There are generally detailed rules and checks for expenditure and accordingly little discretion for the recipient governments. Local authorities sometimes have a mix of general and specific grants in respect of different functions (Hepworth, 1984 : 51; Reagan and Sanzone, 1981 : 57). Yet as Smith (1985A : 117) points out, irrespective of the nature of the grants, the centre can control local governments through other means, e.g. administrative/legal controls. Furthermore, a problem with grants generally, even where there are formulae calculating the degree of subsidisation to local governments, is that central government often arbitrarily reduces the anticipated amount for a particular financial year. This makes balancing expenditure and income very difficult for local authorities.

There is a certain viewpoint that all grants undermine local accountability, viz. that councillors need to be answerable to the local electorate for the raising of taxes to finance their budgets. If local authorities are dependent on grants, this weakens and confuses local accountability (Jones and Stewart, 1982 : 96-98; Bramley, 1987 : 71-72). This claim is disputed. Smith (1985A : 118) argues that an increase in the level of grants is not inconsistent with local governments choosing budget priorities and local electorates holding their representatives accountable for their decisions. However, grants

can sometimes distort local budgets. In America central grants require matching funds from the recipient state or local government. Local authorities are forced to allocate money to these functions even if they are in areas where there is not the greatest need (Reagan and Sanzone, 1981 : 78-79).

Finally, it is argued that grants in one sense promote decentralisation by enabling local governments to perform functions that they would otherwise be unable to perform (Smith, 1985A : 117).

2.10.2 Macro-Economic objectives

The standard argument used by central authorities to justify control over local authority expenditure is that the centre is responsible for macro-economic management of the economy as a whole. Fiscal and monetary policy instruments are used to achieve this stabilisation function. e.g. price level stability, balance of payments equilibrium. Local authorities are responsible for a significant proportion of public expenditure and accordingly their spending has to be curtailed (Musgrave and Musgrave, 1976 : 15-17; Byrne, 1986 : 231; Davey, 1971 : 48; Hepworth, 1984 : 283).

The basis of this control is that central government sets guidelines (normally ceilings for local expenditure), but does not set expenditure levels for individual local authorities or involve itself in the expenditure total of these local authorities (Barlow, 1981 : 3). This is normally enforced by the direct approval of local authorities' budgets by central government or its agents, or

by approval of loans for capital expenditure (Davey, 1971 : 48-49).

However, this viewpoint is not universally accepted. Evidence has shown "that an increase in public expenditure, financed from taxation and involving the provision of services which contribute to households' current standard of living, has no net impact on aggregate demand" (Jackman, 1982 : 80). Alexander (1982 : 107) suggests that macro-economic management does not entail control of local government expenditure. He argues that to achieve this objective the government needs only to control the level of the grant. Byrne (1986 : 30) argues that central government only has to control local government expenditure financed through borrowing and central grants. Further, rate-borne expenditure does not affect money supply and interest rates (viz. monetary policy). It appears that the case for control over current expenditure (with the exception of grants) is questionable, while there appears to be a more solid case for control over capital expenditure financed by borrowing.

Finally, reasons for central government control of local expenditure sometimes have little to do with fiscal reasons. For example, the Thatcher government's controls over local expenditure in England were motivated at least as much by attempts to emasculate left-wing councils as they were by macro-economic reasons, or both, as apparently was the case of Liverpool (Smith, 1985A : 120-21; Byrne, 1986 : 292-305).

2.10.3 Audit

Another form of control is audit. While there seems general consensus that central government or their agents should have the right to audit local authorities' accounts, there is disagreement about the extent of this audit.

Foster, Jackman and Perlman (1980 : 29-30) claim that the government district auditors in Britain have greater powers than their counterparts who audit company accounts. These powers include:

1. to see if expenditure is authorised by law;
2. to see if accounts comply with statutory requirements relating to such matters as capital and renewal fund contributions, balances and proper provision for loan repayment;
3. to see if income raised is in accordance with the law and that reasonable rents are charged.

Auditing (along with budgetary review) is the major financial technique used by central government to check on the administrative efficiency and to ensure whether minimum standards are enforced (Davey, 1971 : 49; Mawhood, 1983 : 22). The latter issue is quite problematic. As Mawhood (1983 : 21) points out, "There is often an unexpressed tension here : should they be elite standards or mass standards? The higher the standards, the less the autonomy of local authorities" (Hepworth, 1984 : 284).

Other variables affecting financial autonomy are the kind of central controls there are over the setting of local tax rate and central limitations on local fees and charges (Page and Goldsmith, 1985 : 180).

2.10.4 Equity/Territorial Justice

It is not generally argued, even by many on the Left, that local government should be the tier of government that subsidises the poor. One of the reasons for greater centralisation of local government powers is the belief that the centre is the only tier of government able to secure the equitable distribution of public resources on the basis of need (Bogdanor, 1979 : 195) (see 2.7 Centralisation Trends). A highly decentralised taxing system would violate the principle of equitable taxation. Such a system would in all probability lead to identical individuals in different localities receiving different levels of services by local governments with varying tax bases. It would exacerbate regional/local inequality and contravene Buchanan's principle of fiscal equity, viz. equal treatment of citizens whatever their geographical location (Oates, 1977 : 12-13; Paddison, 1983 : 168-169; Bramley, 1987 : 77).

Further, it is argued that local government is an inappropriate site of redistribution because local authorities that adopt redistributive policies will find themselves losing their richer taxpayers (in particular, businesses who contribute the largest proportion of local tax), who object to paying higher taxes to fund local social security systems, and attracting less well-off citizens (Foster, Jackman and Perlman, 1980 : 338).

This problem of geographical inequality is not irresolvable. Intergovernmental grants can be used both to equalise disparities between the revenue bases of richer and poorer local authorities and to equalise varying expenditure

needs of local authorities. Countries such as Britain have made use of a scientific formula based on both resources and need, which has been used to equalise disparities in wealth at local level (Byrne, 1986 : 203-206). Grants can sometimes lead to greater central control. However, as pointed out, there is no consistent relationship between central control and financial independence.¹³

A further contentious issue is the efficacy of grants. It is argued that intergovernmental grants is a system which gives unequal benefits to equals; viz. both richer and poorer citizens in poorer localities will receive the benefits of such grants. Redistribution is therefore better served by central government welfare grants directly to individuals (Oates, 1977 : 14-15; Maynard and King, 1972 : 42-43). Finally, as already mentioned, another problem of using grants to equalise living conditions is that subsidisation tends to blur financial accountability.

2.11 POWER AND CONTROL (HIERARCHICAL RELATIONS)

2.11.1 Intervention or Control

Stewart (1983 : 61) distinguishes between central government intervention and control. Intervention refers to activities that impinge upon local authority activities. Control implies that the intervention will help achieve government purposes. Although control implies intervention, intervention does not necessarily imply control. It can be seen that there is no simple correlation between government intentions and actual outcomes. The reason for this is that there are limits to total control in an

organisational context. All delegated tasks involve some degree of discretion, the definition of which is: "A public officer has discretion wherever the effective limits on his power base leave him free to make a choice among possible courses of action and inaction" (Davis, 1969 : 4). The delegating body ipso facto loses control when it delegates power to lower tiers of government. Simon has shown that even in the military, the most hierarchical and authoritarian organisation, a certain amount of discretion exists when delegation takes place (cited in Ham and Hill, 1984 : 151).

Stewart (1984 : 60-61) argues that the traditional intergovernmental relationship is based on the misleading model of purposive organisation; viz. that central government has clear aims for the range and scope of services and that the influence of central government can be measured quite simply by the extent to which these aims have been achieved.¹⁴ He suggests that the problems with this model are:

1. Central government is not a monolithic organisation, but a collection of disparate departments whose interests do not necessarily coincide. Further, as Rhodes (1981 : 30) points out, different sections of the same central government department may have different attitudes and behave differently towards local authorities.
2. Central government has no clearly defined policies in certain areas, preferring to decide issues on merit.

3. Central government instruments for intervention have not been systematically developed and are not necessarily consistent with each other or clearly related to government objectives.

2.11.2 Implementation Studies

A related point to the previous issue is the question of policy being made during the so-called implementation stage. Ripley and Franklin (1982 : 5-6) define policy implementation as "what happens after laws are passed authorising a program or policy or benefit or some kind of tangible output". Two major models of implementation are that of the classical (top-down) and integrationist (bottom-up).

The classical model views policy-making and policy-implementation as two distinct fields. It rests on the politics/administration dichotomy, viz. legislators make policies and bureaucrats passively implement them. Implementation is regarded as an important area of concern, but the top-down theorists limit their analyses to the problems of the process flow and the institutions responsible for executing the policies. The behaviour of bureaucrats is not important; they are seen as uncritical implementers of policy.

For integrationist theorists, however, policy-making and policy-implementation are inextricably linked. Very few decisions are self-executing. The nature of bureaucracies is important. The actions of bureaucrats can substantially affect the implementation of policies.

They would argue that there are a number of reasons why policy may continue to be made during the implementation stage. Some of the important ones are:

1. because some conflicts cannot be resolved during the policy-making stage;
2. because it is regarded as necessary to let key decisions be made only when all the facts are available to implementers;
3. because it is believed that implementers (professionals, for example) are better equipped to make key decisions than anyone else;
4. because little is known in advance about the actual impact of the new measures;
5. because it is recognised that day-to-day decisions will have to involve negotiation and compromise with powerful interest groups (Hogwood and Gunn, 1984 : 206-209; Bain, 1986 : 37-38).

However, policy is not only made during this implementation process; it is the stage where policies stand or fall. It has been viewed as the "Achilles heel of the entire policy process" (Hanekom, 1987 : 55) and it has been said that "the content of policy and its impact on those affected may be substantially modified, elaborated or even negated during the implementation stage" (Anderson, 1975 : 58). The possibility then exists that local authorities performing functions on a delegated basis on behalf of a higher tier of government have the ability to amend policy during the implementation stage. There is

therefore a need to move away from the top-down perspective which sees the autonomy of local government in terms of the powers and duties laid down by central government (Ham and Hill, 1984 : 167).

Drawing on a synthesis of the classical model's structuralist/process problem approach and the integrationist model's behaviouralist approach, one can identify a number of obstacles (which are not necessarily mutually exclusive) during the implementation phase which may severely jeopardise the success of a given policy:

- 1) Insufficient financial and human resources are devoted to the programme.
- 2) Policy-makers lack the time and interest to legislate in minute detail. Legislation is often framed in a broad fashion allowing implementers plenty of scope to influence the content of policy. This means bureaucrats can sometimes subvert the content of policies with which they do not agree. This can be done through, for example, the substitution of the bureaucrat's view for policy, selected acceptance of instructions and obeying the spirit rather than the letter of policy.
- 3) Policy goals are often multiple, conflicting and vague, which leads to ineffective implementation.
- 4) There is often faulty communication between policy-makers and bureaucrats. If bureaucrats do not know precisely what they are supposed to do, this will also lead to ineffective implementation.

- 5) Ineffective implementation can be due to poorly framed policies rather than implementation per se. Policies adopted are sometimes bad choices based on faulty premises.
- 6) Inadequate time is devoted to the programme.
- 7) If implementation depends on the cooperation of other implementing agencies, it is likely to hinder the successful execution of policy.
- 8) Circumstances external to the implementing agency can provide crippling constraints, e.g. policy is unacceptable to some interests which have the power to veto them (Hogwood and Gunn, 1984 : 198-206; Garcia-Zamor, 1988 : 2; Bain, 1986 : 38-44; Ham and Hill, 1984 : 96-101).

Finally, Smith (1985B : 135-137) argues that implementation is more of a major impediment to the success of public policies in the Third World than in developed nations. There are a number of reasons for this, including lack of resources, poorly framed policies, target group opposition, and underdeveloped, inefficient bureaucracies which are unable to formulate and implement plans properly (also see Garcia-Zamor, 1988 : 2). Smith (1985B : 135-136) also offers another rather interesting explanation for policy subversion during the implementation stage in the Third World. Interest groups and individuals are often excluded from the policy formulation in many Third World countries, where genuine representative democracy does not exist. It is during the implementation stage that these

excluded groups or individuals can articulate their interests. This can take a number of forms including bribery, and this leads to the modification of policy.

2.11.3 Elasticity of Control

It has been advanced that in developed countries such as the United Kingdom and the USA, the intergovernmental relationships are characterised by "elasticity of control". This means that central interference of a disciplinary or compulsory nature is theoretically possible but in reality rare. Various forms of supervision and guidance tend to characterise this relationship (Werlin, 1970 : 192-193).

Conversely, in many underdeveloped countries in Africa, the relationship tends to be relatively inelastic. Due to a lack of cooperation in such societies generally, control tends to be authoritarian, ineffectual or a sporadic oscillation between the two. The centre tends to use coercive or corruptive forms of power, rather than subtle persuasion (Werlin, 1970 : 193).

The premise of this concept is that as a country develops politically, there is a gradual shift from coercive to persuasive control. The more illegitimate the legislation and administration in underdeveloped countries, the more likely that coercion and patronage will occur. As legitimacy develops, subtler ways for inducing compliance can be utilised (Werlin, 1970 : 195-196).

2.12 DECENTRALISATION AND DEVELOPMENT

2.12.1 Need for Decentralisation

Besides the general values of local government that have been discussed, there are more specific reasons used to argue the need for decentralisation in meeting developmental objectives in the Third World.¹⁵ The most important of these are:

1. Decentralisation is a mechanism of overcoming the problems of the highly ineffective centrally controlled planning that has been used in many developing nations since independence. Government officials in the field can obtain better information about local problems and needs and adopt national plans to local conditions if they are in close contact with the local population.
2. Decentralisation can reduce congestion at the centre. It can cut through the red tape and the highly structured hierarchy of central planning in developing nations due largely to the over-concentration of power, authority and resources at the national capital of the country; and could lead to the speedy completion of projects by giving local agents greater decision-making powers.
3. Decentralisation can allow greater political and administrative penetration of national government policies into remote areas where central government plans are often ignored by or unknown to the local elite and where support for national development plans is often weak.

4. The aim of many decentralisation programmes is to improve the living standards of the poor; viz. the amelioration of poverty, inequality and material deprivation. To succeed, such programmes must involve the participation by its clientele group in the planning and implementation thereof.
5. Decentralisation can lead to the development of greater expertise amongst local governments and thus expand their capacities to take over functions that are best suited to local level.
6. Decentralisation can offset the influence or control over development activities by conservative local elites who are lukewarm about national development policies and insensitive to the needs of the less privileged (Rondenelli, 1981 : 135-136; Rondinelli, Nellis and Cheema, 1984 : 5-9; Conyers, 1983 : 98-101; Smith, 1985 : 186-188; Maddick, 1963 : 44-74).¹⁶

2.12.2 History of Decentralisation

According to Mawhood (1989B : 4), the history of decentralisation to local authorities in Anglophone Africa can be viewed in terms of a pendulum model. Four distinct phases can be identified. Firstly, there was the colonial rule phase. A decision was made by the Colonial Office in 1947 to establish autonomous local authorities along the lines of the English model. In the latter days of colonial rule, there were thriving local authorities. One reason for its introduction was to defuse power, thus diverting the attention of the educated elite away from strategic policy

issues at central level. The other reason was the use of decentralisation as a tool to achieve developmental objectives (also see Kasfir, 1983 : 27).

The second phase in the immediate post-independent era in the 1960s saw a rapid loss of decentralised local government powers. Kasfir (1983 : 33-37) cites four main reasons why decentralised government was abolished with great rapidity. Firstly, there was tension between imported and indigenous institutions; viz. the contradiction created by the imposition of the colonial legacy on traditional social practices. This dilemma between traditional moral beliefs in which channelling resources to one's kin was regarded as one's political duty and the rational model of Administration imported from the First World which resolved itself into what in the West was regarded as massive corruption. There was little commitment by national and local officials/councillors to the ethos of local government and little obligation to make the system work. Accordingly, the performance of many local authorities was ineffective and inefficient (also see Riggs, 1964).

Another legacy from the colonial era was its authoritarianism. Many African leaders were conditioned by the Hobbesian view of laws under colonial rule; viz. they are obeyed only because of the threat of force. This bequeathed the notion that authoritarianism was the most expedient method of government. It is not surprising, then, that decentralised local government, with its concept

of 'dual mandate' (viz. the notion that elected local government could articulate alternative policies to those of central government) was rejected. (Also see Diamond, 1988 : 7).

Secondly, there was the problem of the fundamental poverty of Africa. There have always been inadequate revenue resources available to local governments to allow them to implement tasks allocated to them. Central governments had access to most of the limited available resources. Inadequate resource bases have often led to central authorities taking over functions from lower tier authorities because of the latter's financial inability to perform such services adequately. Another consequence of poverty was the low levels of trained manpower. This further undermined decentralised local government. The better educated ended up in the employ of central government, leaving the less-trained to work for local government. This led to problems of administrative inefficiency and corruption (also see Rondinelli, Nellis and Cheema, 1984 : 63-69; Mawhood and Davey, 1980 : 407-409; Maddick, 1963 : 28-29).

Thirdly, there was the belief amongst both liberal and Marxist economists that rapid economic development needed centralised planning. This led to the centralised decision-making of the 1960s with a concomitant loss of local government powers. There was the belief that the limited funds should be utilised in terms of an integrated list of priorities (also see Mawhood, 1987 : 13). A related

reason for centralisation was the need to reduce individual and regional inequalities through centrally-based redistributive policies. There was the belief that decentralisation of such programmes would enhance rather than reduce social inequalities (Olowu, 1988 : 14-15) (also see 2.10.4 Equality/Territorial Justice).

Finally, and most importantly, the desire to stay in power was the fundamental reason why central authorities eroded local government autonomy. Coups d'etat, ethnic civil wars and class revolution soon became the order of the day in Africa. The stability of states was often extremely tenuous and they assumed huge powers not because they were strong but because they sought to compensate for weakness. Diamond (1988 : 20-21) points out that in Africa the state commands vast resources but cannot achieve its objectives. Furthermore, the norms that legitimise local government institutions had not been sufficiently developed to prevent attacks on them by central leaders who, in an insecure environment, often regarded autonomous local structures as potential fifth columnists (see 2.9 National Unity).

The third phase involved limited moves back towards decentralisation in the 1970s. Perhaps the main reason for this was the spectacular failure of centralised planning and control. In countries such as Tanzania central decision-making proved itself to be wasteful, ineffective and unresponsive to local conditions. There was a greater realisation that citizens had to be won over to developmental objectives and that there should be some form of

local input into the decision-making process. Further, it was yet to be proved that the short-comings of decentralised government could be averted in a centralised system.

Corruption and inefficiency appeared endemic in larger bureaucracies (Mawhood, 1983 : 6-7; Diamond, 1988 : 22).

This shift back towards decentralisation initially took the form of what was termed mixed models, which were introduced in countries such as Ghana, Sudan and Tanzania.¹⁷

Such councils consisted of unofficial local representatives, government officials and party politicians. However, these councils tended to be rather short-lived. The problem was that these councils operated as a form of central representation. The shortcomings of centralised models still remained (Mawhood, 1989B : 246).

The final phase has been a swing in the direction of the English-type local government model. The failure of the mixed model was one reason for this. The problems of the centralised model had remained largely unsolved. Another reason was the wave of anti-central state ideology in the 1980s which was inspired by the policies of the Reagan and Thatcher administrations. There was a general loss of confidence in the ability of the central state to solve societal problems. Many states (on both sides of the ideological spectrum) attempted to reduce the scope of the public sector in order to strengthen private sector initiatives. However, the private sector was underdeveloped in many Third World countries. A greater role for local

authorities was one of the alternative solutions that were adopted (Olowu, 1990 : 3-4).

There was also a greater emphasis by multi-lateral organisations and donor agencies, such as the World Bank, on local government involvement in service provision. In certain cases implementation through municipal government became a condition for aid (Olowu, 1990 : 3-4).

Has the wheel then turned full circle? The answer is no. It has not quite been a return to the fully-fledged English model which existed in the 1950s. There are two reasons for this. Firstly, the tenuous position of many Third World governments ensures that there are still many central controls over the activities of local authorities. Secondly, the lack of financial and human resources in many local authorities ensures that central control is needed to guide development until the former structures' capabilities improve to the extent where they are competent enough to assume greater decision-making powers (also see 3.2 Personnel). According to the United Nations (1962 : 27):

The availability of controls facilitates devolution, particularly of responsibility for technical services. As individual local authorities prove their abilities, controls can be relaxed on a selective basis. Local authorities differ in their capabilities and require different treatment by the central government.

However, despite these impediments, these trends show that some form of decentralisation seems indispensable to achieve developmental objectives.

2.13 CONCLUSION

There are different forms of decentralisation; viz. devolution, delegation and deconcentration. Each of these different forms will reflect a different set of central-local relationships. The three values which local government is supposed to promote are liberty/democracy, participation and responsiveness. The claim for the liberal/democracy value is that it helps prevent the development of central tyrannies, but this is no guarantee against the development of local tyrannies. The participation value as an expression of community government is still valid to an limited degree, although not perhaps to the extent that some of its 19th century promoters advocated. The responsiveness value is still highly valid because local government is a more preferable service providing body in comparison with a deconcentrated administration.

Whether a state has a federal or unitary constitution does not seem significantly to affect the degree of decentralisation within it. There are three different types of local government administrative systems, viz. prefectorial, functional and communist. Certain factors which facilitate the development of decentralised systems were identified. These included, inter alia, the age of the nation, size of GNP and level of industrialisation. The general trend in virtually all nation states has been increased growth of central government powers at the expense of subordinate tiers of government. The viewpoint that there is a trade-off between efficiency and democracy when

it comes to consolidation of local units is not necessarily valid. Governments with a narrow base of legitimacy will normally be reluctant to devolve powers to sub-national units. However, decentralisation is sometimes used to improve political stability by giving minority groups the ability to participate in decision-making at sub-national level.

The relationship between grants and autonomy is rather problematic. There is no simple equation between central government subsidisation of local authorities and the degree of autonomy. The justifications for macro-economic control over local authorities are not universally accepted. Auditing and budgetary review are also used to ensure central control. Central government subsidisation is often needed to ensure territorial justice because a highly decentralised taxing system will lead to geographical inequality.

Although there are a number of formal mechanisms through which central government can administratively control local authorities, this relationship between government intervention and control is quite complex. There is no simple correlation between government intentions and actual outcome. Policy continues to be made through the implementation stage by local authorities.

Decentralisation has often been used to meet development objectives in the Third World. There were thriving local governments in the colonial era. Autonomous local authorities were dismantled in many newly independent

states. There were a variety of reasons for this, the most important being the need to neutralise any possible oppositional base that could be used to undermine the central government. Top-down models, whether the centralised or mixed variety, have failed; they have been highly unresponsive to local needs. There have accordingly been limited moves back towards decentralised models.

CHAPTER III

MEASUREMENT OF DECENTRALISATION AND A FRAMEWORK FOR ANALYSIS

3.1 INTRODUCTION

In this chapter the framework of analysis which is used to determine the degree of decentralisation that has occurred in South Africa in the 1980s is discussed. It must be said from the outset that this quest to measure decentralisation is fraught with methodological difficulties. Firstly, power is a complex phenomenon and its distribution is difficult to measure. One cannot make simple conclusions about power relationships (Fesler, 1965 : 537). Secondly, there is difficulty in differentiating degrees of decentralisation within a given country at a given time. Different sub-national units are treated differently and the tendency to generalise often leads analysts to treat variety in decentralisations as minor deviations from the norm (Fesler, 1965 : 337). Power is not necessarily zero-sum; the addition of power at one level of the hierarchy does not automatically mean the withdrawal of power at another (Fesler, 1965 : 337; Stewart, 1983 : 68).

Rabinowitz (cited in Aiken, 1973 : 446-7) has pointed out certain methodological problems that urban researchers conducting cross-national research may face, e.g. standardisation of data, lack of international conformity on what constitutes an urban unit, changes in principal boundaries over time and the quality of data. Other problems entail the variety in local government structures

and different voting systems (Aiken, 1973 : 441-2). Aiken (1973 : 442) suggests that because of factors such as these, researchers should concentrate on intranational rather than cross-national research.

Further, one cannot compile a definitive index because of the different dimensions found in decentralisation. It is suggested that the explanation for differences in decentralisation is unlikely to be found in one broad general theory. These different dimensions raise different issues which can probably only be explained in terms of different bodies of theory (Page and Goldsmith, 1985 : 198).

It can be said from the outset that there is no universal theory of decentralisation. In 1961 MacKenzie (5) asserted that: "There is no normative theory from which we can deduce what local government ought to be; there is no positive general theory from which we can derive testable hypotheses about what it is." About three decades later there has been little progress in this direction. Mawhood wrote in 1987 (20) that there is not "any general normative model or body of testable hypotheses which apply universally" (to politically decentralised structures). Grand theory is accordingly rejected. There is no coherent body of theory which can satisfactorily explain different degrees of decentralisation within and between nations. Accordingly, this chapter does not attempt to make any new major theoretical contribution to the field. What this framework attempts to do is more modest. Its level of analysis is not macro-level, but rather middle-range.

Certain indices which can measure decentralisation are identified and examined. These indices are personnel, access, functions, party politics, finances, hierarchical relations and size. As will be shown, even this middle-range approach has certain limitations.

3.2 PERSONNEL

It is generally recognised as axiomatic that the more the centre controls the selection and deployment of local personnel, the less decentralised the organisation is (Smith, 1979 : 221). A distinction can be made between three different types of local government personnel systems (although in practice some countries have a mixture of these models).

3.2.1 The separate system

The separate model occurs when each local authority acts as a completely autonomous employer. Personnel are not transferrable to other jurisdictions by a central body. It is not uncommon for the central government to provide the main impetus for sound local government practices under the separate system through, for example, the setting of maximum salaries, pensions, standards of local civil service systems and qualifications of certain technical personnel.

The separate model is conducive to devolution of power. Permanently based local officials are likely to know local conditions better and develop more interest in community affairs than would employees recruited elsewhere. The problem with this system is that less affluent, smaller and rural local authorities find it difficult to attract

competent personnel. Also, nepotism and corruption seem to abound under certain separate systems, in particular those where there is no central impetus for ensuring sound personnel practices, such as Brazil in the 1960s.

The separate system is mainly found in developed countries with a tradition of strong local government, such as the United Kingdom, Netherlands, France and New Zealand (United Nations, 1962 : 48-51; 1966 : 7-25; Mawhood, 1983 : 18-20; Wallis, 1989 : 131-132; World Bank, 1989 : 119-120).

3.2.2 Integrated System

An integrated personnel system is said to exist when local authorities' staff are employed locally but are organised nationwide in a single service. They are civil servants and can be transferred, both to other local authorities and to other government departments, by the bodies responsible for the civil service as a whole.

Some of the advantages of the integrated system are that it permits the most extensive area base for the recruitment to the service; it makes quality staff available to all local authorities; it facilitates the optimal use of trained personnel; the presence of trained staff allows central government to devolve more functions to local authorities; and it minimises local corruption and nepotism (there is, however, no guarantee against central corruption and nepotism). The problem with this system is that it is highly centralist, because career loyalty of officials is to the central government and not the local authority. No

ambitious local authority officer is likely to defend the council's interest where this is in conflict with the viewpoint of a Minister or the civil service.

Countries which use the integrated system tend to have centralised governments with no strong tradition of decentralised local authorities. A sample of some 20 African countries in the mid-1980s showed that 12 of them, including Ghana and Sudan, had adopted the integrated system (United Nations, 1962 : 48-51; 1966 : 40-53; Mawhood, 1983 : 18-20; Wallis, 1989 : 131-132; World Bank, 1989 : 119-120).

3.2.3 Unified system

The unified system exists when the local authority's staff are employed locally but are organised nationwide by the central government in a single civil service parallel to the central civil service. The responsibilities of such a parallel civil service include the establishment of a national grading scheme, procedures for the recruitment of senior officials and control of the promotion and discipline of these officials. In certain unified systems the central body has the power to transfer staff to local authorities. Where a unified model exists, it is often in respect of senior local government employees only.

The advantages of this system are that it can help smaller local authorities attract more qualified staff than would be the case under a separate system; it can facilitate the creation of nation or state-wide career services founded on merit principles, and it can reduce corruption and

officials, which in turn are more decentralised than those performed by deconcentrated field administrators. It can also be suggested that having directly elected members, as opposed to indirectly elected councillors, is more conducive to decentralisation.

Another index is to look at the total distribution of administrative personnel between the different levels of government. The proportion of total public servants employed on relevant government functions, viz. those handled at local level in either a decentralised or deconcentrated fashion, needs to be calculated. The greater the proportion of people employed at local level on these relevant functions, the greater is the degree of decentralisation (Stephens, 1974 : 61-64; Smith, 1979 : 221).

3.3 ACCESS

Page and Goldsmith (1985 : 181) define access as "the nature of contacts between central and local government actors". A more comprehensive definition is that of Rhodes (1980 : 577), who defines access as the ability of local government to penetrate national politicians and to influence policy-making affecting local authorities. There are two issues that have to receive attention:

1. How frequent and important are direct forms of access between individual and central actors involving bilateral direct relationships between individual local authority actors and central actors, in contrast to indirect forms of access by which local actors have

their views and interests represented to central actors through the mediation of national associations or interest groups of local officials and politicians or through party networks? (Page and Goldsmith, 1985 : 181). National associations of local authorities are an important issue here. How effectively do they represent their members' wishes? Or, alternatively, do they represent central government's view to local governments? (Rhodes, 1981 : 31).

2. Do these patterns of access give local government actors privileged access to central government decision-making processes? (Page and Goldsmith, 1985 : 181).

In France the cumulation of offices gives local government actors who accumulate them considerable leverage and greater access to central decision-making. Mayors can also be elected to parliament and then use this conduit to bring benefits for their commune. In contrast, in the United Kingdom central-local relations are normally conducted between central government departments and national associations of local authorities which have tended to be rather weak defenders of local government interests (Page and Goldsmith, 1985 : 181).

The role of technocrats and topocrats also has to be assessed when looking at this issue of access. Technocrats are professional specialists; they have the ability to exercise influence on behalf of their employing local authority. They have contacts with their counterparts at

the centre and as members of professional associations they can lobby central government about improving professional standards. Another factor affecting the degree of decentralisation, is the extent to which professions are locally, rather than nationally, organised (Rhodes, 1980 : 573 and 1981 : 33).

Topocrats, on the other hand, derive their authority from place and they can promote or defend the interests of a particular geographical area. It is suggested that topocrats have emerged as a countervailing power to technocrats (Rhodes, 1981 : 85-6, 89, 90).

Other factors relating to access are central government's policy of secrecy or openness in consulting local government on matters affecting them, whether there is a directly elected mayor or not (he is often a powerful power-broker), and whether local political leaders are also represented in national political structures (Rowat, 1980 : 602; Rhodes, 1980 : 373).

3.4 FUNCTIONS

It has been argued that the range of local government functions is an index of decentralisation. Stephens (1974 : 59-61) developed a service index to measure the state/local distribution of services based on the proportion of total expenditure on a public service allocated to state and local governments in the U.S.A. The formula was based on the proportion of total expenditure on a public service allocated to state and local governments. A service is classified as 'state' where the state spends 60-100%; as

local if the state spends 0-39%, and joint if the state accounts for 40-59%.

It is therefore proposed that the more relevant functions (those that can be performed in either a devolved or deconcentrated/delegated fashion) that are handled by devolved methods, the greater the extent of decentralisation to local government (Smith, 1979 : 216; 1985 : 86).

There are certain methodological problems involved in drawing up a list of relevant functions. Each function has a number of detailed activities and to quantify each of these minute sub-activities would be highly time-consuming. This makes the practical application of this index rather problematic (Page and Goldsmith, 1985 : 178). A more limited and feasible approach is, however, to look at a single major function in detail. This approach was adopted in each of the case studies.

Another relevant issue is to examine historically why certain relevant functions ended up at local level and others at central level (Page and Goldsmith, 1981 : 177). For example, as Carroll and Carroll (1980 : 297-8) point out, some functions are deemed primarily local because of different demands from different communities; there is thus minimal spillover and the service may be administered efficiently within a small community. Other functions are assigned to a higher tier of government because of the importance of administrative or financial economies of scale or because of the likelihood of spillover effects.

Finally, another complex issue is the distinction between the number of functions decentralised and the overall scope of a state's activities. For example, in Country A, local authorities could have a broad range of responsibilities, which nevertheless constitute a smaller proportion of the state's whole set of functions than a small range of functions performed by the local authorities of Country B, in which local governments perform most public functions (Smith, 1979 : 216). Self-evidently, free-market orientated governments will favour limited public sector provision of services, while social democratic and socialist governments will prefer a more active role for government.

3.5 Party Politics

The effect of party politics on decentralisation is another issue worth considering. The wishes and directives of national parties may substantially curtail the autonomy of their representatives at local level (Smith, 1985 : 89 - 90). Elazar (1968 : 379) argues that the existence of the non-centralised party system is perhaps the most important element of non-centralisation in federalism. Non-centralised parties initially develop because of the institutional arrangements and political dynamics of federalism, but once they come into existence they tend to be self-perpetuating and to function as decentralising forces in their own right. In both Switzerland and the USA, cantonal and state parties, respectively, have strong powers at subordinate level. However, the process can flow in the other direction as well. Ideas, information,

experience and demands from grassroots can influence national policies (Gyford, cited in Smith, 1985 : 90).

3.6 Finance and Autonomy

The relationship between finance and autonomy can be divided into three different categories:

- (a) nature of revenue base;
- (b) elasticity of sources of revenue;
- (c) amount of financial discretion in the use of revenue sources.

3.6.1 Revenue Base

Mawhood (1983 : 14 - 15) has devised a scale on the systems of local financing, ranging from the 'most autonomous' to the 'least autonomous':

- i) **Own revenues** occurs when the council has wide discretion to vary the rate of the tax collected. This means that the taxation level can be adjusted to balance with expected expenditure needs.
- ii) **General grants** are unconditional grants. They are often based on a formula calculating the resources and needs for each local area.
- iii) **Assigned revenues** are prescribed and collected by central government and then handed over to local government. They tend to be less favourable to local discretion than (ii) because they do not embody any calculation of resources and needs.
- iv) **Incentive grants** cover a stated proportion of the cost of a particular activity. This grant is often a

centrally induced incentive to persuade local authorities to adopt some central policy.

- v) **Specific grants** occur when the local authority has virtually no say as to when and how money for a particular programme is to be spent. This is a form of delegation.
- vi) **Deficiency grants** are paid by the government simply to offset the difference between a local authority's expenditure and revenues. There is no inducement to encourage local responsibility in collecting and spending, and the local authority is often treated as a subordinate government agency.

However, it is necessary to qualify this continuum. As pointed out (in 2.9.1 Intergovernmental Grants) the relationship between grants and autonomy is rather problematic. A good example of this is a situation where a local authority raises most of its revenue but is still controlled by other means.

3.6.2 Elasticity of Tax Base

The elasticity of the financial resources available to local governments is another important issue, in so far as they need revenue sources that can expand beyond the rate of inflation. Davey (1971 : 147) argues that elasticity is best attained "where the taxable base expands of its own accord in keeping with the growth of the economy, the rate of inflation and demands of expenditure."

Countries that have inherited the British system of local government financing (most of its erstwhile colonies)

have often experienced a shortage of income at local level. Rates/property tax is extremely inelastic and tends to lag behind the inflation rate (Hepworth, 1984 : 15). In many Third World cities, which rely on rates as a major source of income, large population growth and rapid urbanisation make balancing the budget even more difficult. Local income taxes are more buoyant than rates. Countries which rely on local income taxes, such as the Scandinavian states, suffer less from a resource squeeze (being caught between a declining revenue base and an increased demand for goods and services) than those countries whose major source of income is rates (Smith, 1985 : 102).

3.6.3 Financial Discretion over Expenditure

Davey (1983 : 120 - 121) argues that local authority financial discretion in respect of expenditure has two elements:

- (a) scale: the amount of money they are allowed to spend;
- (b) purpose: the objects on which they are allowed to spend their revenue.

Using both these dimensions Davey has derived a continuum in descending order of discretion:

- (1) Local authorities have complete freedom to spend as much as they like on what they like.
- (2) They can spend as much as they like, but only on a prescribed range of services.

- (3) They may allocate money between different services (unlimited or prescribed) but with a fixed ceiling on expenditure.
- (4) They may allocate money between services providing they spend a mandatory minimum on certain functions. This mandatory minimum may be laid down by statute or be a condition of a higher tier government grant or loan.
- (5) They are free to allocate money, but only within total amounts prescribed for individual functions by higher tier government.
- (6) A higher tier of government prescribes levels of sectoral expenditure and details allocations within these. Local authorities only execute centrally prescribed budgets and exercise choice only over the lowest level of detail.

These restrictions can apply to all levels of local authority expenditure, or alternatively certain parts of it; viz.

- i) capital expenditure only;
- ii) current expenditure only;
- iii) expenditure on certain functions only;
- iv) certain types of expenditure, e.g. personnel costs;
- v) amounts received from central government allocations;
- vi) a fixed percentage of total expenditure;
- vii) expenditure up to a certain basic level.

Another control over expenditure is statutory requirements obliging local authorities to set aside fixed sums or percentages for specific purposes. A common requirement is that a certain percentage of revenue must be set aside for capital development purposes (Davey, 1983 : 156).

3.6.4 Local Expenditure as Percentage of Total Central Expenditure

Another indicator of decentralisation is the level of local expenditure as a proportion of total public expenditure. The greater the percentage of local government expenditure, the greater the extent of decentralisation (Smith, 1979 : 219; Page and Goldsmith, 1985 : 177). However, this is less useful. This was the formula that Vieira used and, as already pointed out, this variable cannot distinguish between different types of decentralisation. Different components of the same function, e.g. policy-making, financing and execution, may reside at different levels of government. To examine only the financing of a function does not tell us who has control over the critical policy-making element thereof; it does not tell us the difference between delegation and devolution. Furthermore, as Smith (1979 : 219) points out, for this index to be analytically useful, one has to subtract expenditure which could never be devolved, e.g. defence and foreign affairs, from the total expenditure. It needs to concentrate on relevant functions which could be the responsibility of either central or local government.

3.7 Hierarchical Relations

There are certain formal administrative mechanisms through which higher tier control over local authorities' powers can be maintained. They are:

- i) **Approval of decisions** - decisions can only come into effect after approval by the higher authority.
- ii) **Directives/instructions** - ordering local authorities to do or refrain from doing some act.
- iii) **The power of suspension** - higher tier authority has the power to suspend the activities of local authorities.
- iv) **The power of annulment** - decisions of the local authority can be overturned.
- v) **The power of reformation** - decisions of the local authority can be modified.
- vi) **The power of substitution** - the higher authority can act in place of a lower one (De Forges, 1975 : 127).

In addition to the controls mentioned in the financial section, there are other administrative mechanisms which can be used to ensure higher tier control, e.g. circulars laying down policy, inspectors, and the requirement of reports on progress in specific services.

There are other issues affecting this extent of control. The first factor is the legal framework of local government - whether the local government services are decided locally or whether they are explicitly granted by central government, for example through the ultra vires doctrine (see 2.4 Federalism vs. Unitarism). The second issue is whether the general supervisory powers are vested in a higher tier government official such as the Prefect in

France before 1982. The third issue is whether services are mandatory (whether local authorities are legally obliged to offer services) or permissive (whether local authorities by virtue of a special grant or powers or a constitutional provision of general competence, have the freedom to offer services). Finally, the extent to which central government attempts to issue nonstatutory advice to local government also affects the degree of decentralisation (Page and Goldsmith, 1985 : 178 - 180).

However, not all of these arguments are black and white when it comes to the issue of autonomy. For example, the conventional argument that the ultra vires doctrine is by definition more centralised than the general competence doctrine has been questioned (see 2.4 Federalism vs. Unitarism). Furthermore, merely because local authorities' activities are mandated does not mean that they have little discretion. In many cases the legislation granting duties on local authorities does not specify the level of activity or the way the activity should be carried out (Stewart, 1983 : 147).

It must also be repeated that central intentions are not always uncritically translated into policy outcomes at local level (see 2.11.1 Intervention or Control). Extensive central supervision notwithstanding, local authorities can retain a certain amount of discretion.

Another issue is that of different forms of supervisory patterns. Griffith (1966 : 515-528) distinguishes between three different types of higher tier government supervisory

patterns over the activities of local authorities, viz. laissez-faire, regulatory and promotional. Laissez-faire entails minimum intervention within the necessary fulfilment of departmental duties. Regulatory control is somewhere between laissez-faire and promotion of local authority, viz. the middle way.' One of the major concerns is to see that statutory regulations are upheld. Otherwise the supervisory tier of government does not interfere excessively in local authorities' affairs. Promotional supervision often implies local authorities executing functions under the close control and direction of a government department. Griffith suggests that the more politically important the functions are for central government, the greater the likelihood that this form of supervision will be promotional.

Moreover, it has been suggested that the more levels there are in an areal division of power, the more difficult it is for central government to ensure that its policy is enforced at local level (Smith, 1979 : 220). It has already been mentioned that delegation leads to discretion and therefore it can be argued that the more levels there are, the greater the delegation and discretion.

Conversely, it can be argued that a multi-tiered system means that some decisions are taken by a remote higher-tier authority which does not necessarily represent the interests of the local community. Decisions would invariably reflect a compromise between the interests of the different communities, or even reflect the interests of one community ahead of another. A system would accordingly be more

decentralised if a local authority's jurisdiction corresponded exactly to a particular community's jurisdiction (Smith, 1979 : 220). As Smith (1979 : 220) puts it, "what might apply to levels within a bureaucratic hierarchy might not be applicable to the geographical hierarchy of the state."

3.8 Size

It is argued that many problems associated with the sheer demographic borders in larger countries are resolved by decentralising powers to sub-national tiers of government (Clark, 1974 : 29). Modern systems of communication have reduced the extent to which size inhibits decentralisation in developed countries. This factor is still more relevant in less developed countries (Smith, 1985 : 48), but as pointed out (in 2.6 Factors Favouring Decentralised Systems), Vieira's investigation showed there was no correlation between the physical size of the country and devolution.

It is generally held that larger local authorities are expected to be more autonomous on the grounds that they have strong revenue bases, more professional organisations, greater political power when dealing with central government and greater expertise at performing functions. Smith (1979 : 222) suggests there are two problems with this proposition:

1. Research has not verified the hypothesis that smaller local authorities are more likely to submit and conform to central government than larger units of government.

2. The larger the units of decentralised government, the fewer units there are for central government to control (Smith, 1979 : 222).

There is also, of course, no guarantee that larger local authorities will not be tightly controlled by central authorities.

Size, then, is perhaps a rather uncertain index of decentralisation and needs to be subjected to greater empirical scrutiny.

3.9 CONCLUSION

The foregoing discussion has, hopefully, illustrated that the identification of indices which can illuminate the degree of decentralisation in a given society is a rather complex task. The proposed framework for analysis is limited in its applicability; at best it can provide a partial explanation.

The South African government's political decentralisation programme in the 1980s was implemented in a highly contradictory fashion. Government spokesmen claimed that extensive devolution of powers to sub-national units was occurring, while a number of commentators retorted that the local government reform programme was implemented in a way that led to greater centralisation. It is contended that this theoretical framework of analysis, however limited its applicability may be, can make greater conceptual sense of this constitutional morass than any empirical 'nuts and bolts' approach.

The model developed here is the fully-fledged framework for analysis. In the case studies a more limited variant will be applied, in which only certain indices will be examined. The reasons for this are, firstly: not all the information needed for the fully-fledged model is available. The strong proclivity of the South African public sector towards secretiveness is a major impediment in this regard (see 1.5 Methodology). Secondly, certain indices are inappropriate to certain of the case studies. Thirdly, space constraints are another impediment to the application of the fully-fledged model. The application of the limited variant has already led to fairly detailed case studies. The utilisation of the fully-fledged model would have led to these case studies being too long and cumbersome.

Finally, while these indices are largely geared towards middle-range analyses, aspects of some of them are also of relevance when looking at macro-level. Reference will accordingly be made to such indices in the chapters looking at national developments in respect of local government.

SECTION 2

CHAPTER IV

HISTORY OF WHITE, COLOURED AND INDIAN LOCAL GOVERNMENT : 1910-1979

4.1 INTRODUCTION

This chapter will provide a brief history of the central-local relationship in South Africa from 1910 until 1979,¹ an era which has generally been recognised by most local government commentators as one of increased diminution of local authorities' powers and functions as a result of centralisation by both central and provincial government. It will examine the constitutional framework of South Africa, the structure, functioning and financing of both provincial authorities (the supervisory body of local authorities) and local government. Reasons for centralisation will be analysed, as will both central and provincial manifestations of this trend. Finally, it will look at the development of different local government structures for different race groups, a process that was accelerated after the NP was elected in 1948 on the apartheid manifesto.

4.2 CONSTITUTIONAL FRAMEWORK

Slabbert and Welsh (1979 : 86) posit that "the possibility of a highly centralised system was inherent in the South African constitution from its inception." An examination of the intergovernmental aspects of the 1910 and 1961 constitutions seems to corroborate this claim.

The South Africa Act of 1909 established the Union of South Africa, which consisted of the four self-governing

British Colonies, viz. Cape Province, Transvaal, Natal and the Orange Free State. These colonies surrendered most of their powers and functions to central government and became provinces in the Union of South Africa, which was established in 1910. They did, however, retain their pre-Union borders (J. Cloete, 1988 : 226).

The South Africa Act created a three-tier system. Firstly there was a parliament based on the British Westminster system in terms of structure, procedure and practice. The constitutional form of government that was adopted was unitary, viz. a centralised legislative authority was considered sovereign over all forms of subordinate legislatures. A bicameral system was created which consisted of the House of Assembly and the Senate. Only whites could be elected to parliament, although limited voting rights existed for 'non-whites' in the Cape and Natal.² Further, certain powers were vested in the Governor-General as representative of the British Crown (Olivier and van Wyk, 1978 : 2; Slabbert and Welsh, 1979 : 77-80).

The second tier of government was the provincial system. The viewpoint amongst most delegates to the National Convention was that South Africa was too large for a governmental structure only consisting of the central authority and local authorities (De Wet, 1984 : 227). The sizes of the various provinces are:

Cape Province	644 060 km ²
Natal	91 740 km ²
Orange Free State	125 930 km ²
Transvaal	265 470 km ²

(RSA, Bureau of Information, 1989 : 1)

Although the provincial system was sometimes regarded as a compromise between those who wanted a federal state and those who wanted a unitary state, Vosloo and Schrire's claim (1978 : 17) that "in its powers and functions the (provincial) system was clearly a victory for those delegates who favoured a strongly centralised system" seems a more accurate observation. Acts of parliament promulgated what powers Provincial Councils had. Such councils were very much subordinate legislatures: all draft ordinances had to be approved by the Governor-General before they became law. If inconsistent with national legislation, such ordinances were vetoed. Central government also had the authority to make regulations binding upon them and to revoke their powers and functions (J. Cloete, 1988: 17; Meyer, 1978 : 90-91; Vosloo and Schrire, 1978 : 77-79).

The third tier of government was that of local authorities. At the time of Union, all four colonies already had well-developed forms of local government. The four colonies had been colonised by the Dutch and the British in turn, and both countries had introduced local government institutions based on their respective indigenous systems. However the British re-colonisation of 1806 had led to the virtually total anglicisation of structures which

was reflected in the system of local government that existed just prior to Union (Vosloo, 1974 : 20-21).

Because of South Africa's large size it was considered practical to have the provincial authorities supervising these local authorities (Freed, 1936 : 69). The alternative to the provincial system had involved either minimum or maximum devolution of powers, both systems having political and administrative problems. Provincial ordinances created local authorities and defined the scope of their local jurisdiction. The regulation and control of municipal affairs occurred through such provincial ordinances, although parliament was also a competent body to create local authorities. Local authorities could only make by-laws within the parameters of this legislation. The Republic of South Africa Act of 1961, whereby the country became a Republic, did not change this intergovernmental relationship. The only constitutional change worth mentioning was that the Governor-General's prerogatives were now vested in the State President, in theory elected by parliament, but in practice, given the size of the NP's majority, a political nominee of the ruling party in the House of Assembly (Meyer, 1978 : 43, 90-91; Vosloo, 1974 : 25-26; Cloete, 1988 : 35).

Unlike certain countries such as West Germany, where the rights of local government are enshrined in the constitution, the South African system of local government has never had any form of constitutional safeguards. Neither the constitution of 1909 nor that of 1961 made

reference to the right of local government to exist. There was nothing in the statute which made it mandatory for provincial councils to create local authorities. Their powers and functions could be revoked by provincial authorities. No court of law was competent to pass judgment on the nature of powers that were devolved down to local authorities. This applied equally to Acts of parliament and provincial ordinances. The doctrine of ultra vires applied, viz. that local authorities could only perform a statute if it was specifically authorised by a higher tier of government (Craythorne, 1979 : 11; 1982 : 128; J. Cloete, 1988 : 266; Meyer, 1978 : 91).

4.3 STRUCTURE, FUNCTIONING AND FINANCING OF THE PROVINCIAL SYSTEM

One of the major manifestations of the centralisation that occurred under the Westminster system has been the subordination of the provincial system to central government dictates. This, as will be shown, had adverse implications for local government autonomy.

The provincial system differed from both central parliament and local authorities in that power was not vested exclusively in the elected legislative body. Such power was shared between a centrally appointed Administrator and the elected provincial council. The Administrator was appointed by the State President (before 1961 the Governor-General) on the advice of the cabinet. He was invariably a supporter and office-bearer of the ruling party in the House of Assembly. The Administrator had a dual role. Firstly,

he was the representative of central government at local level. He had to assist in the execution of central government policies and keep in touch with other government departments so that his policies could conform to central functional policy, e.g. education. He exercised widespread powers of control over certain aspects of local government and administration and was statutorily empowered to act on his own in this capacity.

The Administrator was also the Chief Executive of the provincial council. He summoned and prorogued provincial councils, took part in council proceedings, introduced all financial and appropriation draft ordinances and promulgated ordinances after the State President had given his assent. The councils had no power to dismiss their Administrators; that could only be done by the State President. However, councils could refuse to authorise the Administrator's budget and could adopt a motion of no confidence in him.

The other major component of the provincial system was the elected provincial council. The Republic of South Africa Constitution Act as amended by the Constitution and Elections Amendment Act (1973) provided that when a province had less than 20 representatives in the House of Assembly, its provincial council had twice as many members as the province had members in the House of Assembly. Otherwise the number of members in the two bodies was the same.³ Members of provincial councils were elected for five-year terms on a voters' roll which was the same as the parliamentary voters' roll.

Up to 1962 party divisions in the provincial council were proportionately reflected in the composition of the executive committee. An amendment to the Republic of South Africa Constitution Act in that year required members of the Executive Committee (cited hereafter as EXCO) to be elected by majority vote. Each committee was in charge of a particular portfolio, one being local government. The Administrator was chairman of EXCO, having both a deliberative and casting vote. He had to abide by major decisions, except for matters where the State President could overrule EXCO (Vosloo, 1974 : 24-26; Vosloo and Schrire, 1978 : 78-80; Roux, 1971 : 110-113; J. Cloete, 1982 : 215-223; RSA, President's Council, 1982B : 7-11).

The chief administrative official was the Provincial Secretary who headed the corps of full-time bureaucrats. This was largely an integrated staff system; most provincial employees were members of the central Public Service and could be transferred to and from State departments. As pointed out (in 3.2 Personnel) this system is not conducive to decentralisation. However, some provincial employees such as teachers and nurses were provincial employees and their service conditions were set by provincial councils (J. Cloete, 1982 : 229).

Elements of centralisation were then built into the provincial system from its inception. This system was a mixture of deconcentration and devolution, weighted in favour of the former. This dual role of the Administrator as well as the centralised constitutional framework meant

that "South African provincial authorities have (had) very little scope for decision-making independent of central government" (Roux, 1971 : 111).

This has been further exacerbated by the steady erosion of provincial powers and functions down the years. White primary and secondary education, hospital services and provincial roads were their most important functions, along with supervision of White, Coloured and Indian local authorities. Other functions included fish and game matters, licensing and control of trade and recreation and cultural amenities. However, provinces lost Black education (1953), Coloured education (1965) and Indian education (1963) to central government departments. The centre also took over policy-making in respect of White education and certain aspects of hospital services in order to ensure uniformity of policy (Vosloo and Schrire, 1978 : 78-80; Roux, 1971 : 112-113; Vosloo, 1974 : 23-24; RSA, President's Council, 1982B : 9).

Similarly, in the field of financing there was a loss of powers. The provincial powers to levy income and personal tax were transferred to central government in 1972 and replaced by central subsidies, albeit in the form of unhypothecated (untied) grants. The subsidies were calculated according to a formula based on the needs and financial abilities of the different provinces. The difference between the two would form the subsidy. Approximately 82% of provincial revenue now came from central subsidies (as opposed to 50% previously). The only

major sources of revenue the provinces were left with were motor vehicle licences and totalisator and related taxes (Vosloo and Schrire, 1978 : 28-29; Roux, 1971 : 114-115; Vosloo, 1974 : 24-25; RSA, President's Council, 1982B : 11; J. Cloete, 1982 : 233-236).

This steady whittling away of provincial powers was exacerbated by the fact that from the 1950s onwards, the NP (the ruling central governing party from 1948 without interruption) controlled all the provincial councils except Natal. Such provincial councils offered little resistance to this process of centralisation (Slabbert and Welsh, 1979 : 79). The decline in provincial status, power and influence continued right through this Westminster period so that by 1978 Vosloo and Schrire (1978 : 3) could quite uncontroversially state that "provinces are now essentially implementers of national policy rather than formulators of essentially provincial policies". Boulle (1985 : 1) and J. Cloete (1983 : 140-141) came to similar conclusions.

4.4 STRUCTURE, FUNCTIONING AND FINANCING OF LOCAL AUTHORITIES

South African local authorities in the Westminster era were characterised by differentiation in almost every conceivable aspect, e.g. size, organisation, powers, functions, source of revenue and electoral qualifications. One reason for this was that there was no prior consultation between the various provinces at the time of Union. Accordingly, names and types of local authorities differed from province to province. Another reason for this was the development of

different local government structures for different race groups (Van Rooyen, 1987 : 1-2; Roux, 1971 : 116; Vosloo, 1974 : 26).

4.4.1 White Local Authorities

White local authorities were single-tier, multi-purpose institutions with both legislative and executive powers. No metropolitan form of government existed. There was a bewildering array of official designations for urban local authorities in the various provinces. These ranged from Village Management Boards, Village Councils and Health Committees, with limited powers and functions for smaller local authorities, through to Town Councils, Municipalities and Boroughs for larger areas with wider powers and functions, and to City Councils for large cities. The latter designation applied to larger town councils/boroughs (Roux, 1971 : 121; Vosloo and Schrire, 1978 : 82; Vosloo, 1974 : 26).

4.4.2. Urban Local Authorities

Urban local authorities consisted of elected councils, normally based on a ward system. A mayor with largely ceremonial powers was indirectly elected by councillors. The two main forms of internal organisation were the multiple committee and management committee systems. Under the former system the councils were divided into a number of committees, each committee being responsible for supervision within a specific functional area. Under this system, officials reported directly to the relevant committee, although general control rested with the council as a whole.

This system existed in the Cape (with the exception of Cape Town) and Natal. The Management Committee, on the other hand, made provision for a cabinet-type system. Authority was concentrated in a single controlling executive, rather than the council as a whole. Such a system existed in the Transvaal, Orange Free State, and the city of Cape Town.

The town clerk was the senior administrative/executive official of local authorities, heading a corps of permanent officials. Under the Management Committee system his position was strengthened considerably, being the only channel of communication between the officials of the councils and the former committee (Roux, 1971 : 122; Vosloo and Schrire, 1978 : 82-83; Vosloo, 1974 : 28; Craythorne, 1980 : 84-91; J. Cloete, 1988 : 255-257; RSA, President's Council, 1982B : 14-15).

Local authorities provided a wide range of services to the public. Their functions included the construction and maintenance of roads and streets, the supply of water and electricity, control of traffic, provision of housing, refuse collection, health services, public library services, museums, public transport, building control, city and town planning, parks and recreation facilities, abattoir services, fire-fighting services, the licensing of motor vehicles and of certain businesses, sewerage, cemeteries and crematoria, ambulance services and stormwater drainage. Police protection (except for traffic), education and social welfare⁴ were, unlike in many other countries, not local

government functions (J. Cloete, 1986 : 45-46; Vosloo, 1974 : 26-27).

The services provided by local authorities could be divided into two categories in respect of decentralisation. Firstly, there were permissive functions which were services undertaken voluntarily by local authorities. It was the prerogative of the local authority concerned to decide whether it wanted to offer such a service and it depended on factors such as the needs of the community and available finance and staff. Devolution of power existed here subject to certain indirect controls. Secondly, there were mandatory functions which local authorities were obliged by law to perform. These functions were often undertaken by local authorities on behalf of central government on an agency basis. For example, it was obligatory for local authorities to perform certain health functions such as the prevention of infectious diseases and the provision of health inspection and family planning services (RSA, Browne Committee, 1980, Annexure D : 27).

4.4.3. Rural Local Authorities

There were also different provincial institutions for rural local government. The only truly representative form of rural local government was in the Cape where the elected Divisional Council system existed. Their raison d'être was mainly the construction and maintenance of roads. However, they gradually acquired more functions so that in terms of services offered they became virtually indistinguishable from urban local authorities. In the Transvaal the Board

for Development of Peri-Urban Areas, in Natal the Development and Services Board, and in the Orange Free State the Small Areas Control Board, provided rural services. These tended to be appointed forms of government which were advised by local areas committees without executive powers. They, too, tended to offer a wide range of services. In these three provinces the provincial administrations sometimes supplied services directly to rural areas. Finally, provision was made in the Cape for local area committees in peri-urban areas, viz. developing areas, with advisory powers. However, executive powers still resided with the elected Divisional Councils (J. Cloete, 1988 : 261-263; Roux, 1971 : 117-119; Vosloo, 1974 : 29-31; Vosloo and Schrire, 1978 : 83; RSA, President's Council, 1982B : 13-14).

Finally, in addition to multi-purpose urban and rural local authorities, single-purpose local authorities existed on a rather small scale as, for example, water boards and irrigation boards (J. Cloete, 1988 : 268-269).

4.4.4. The Financing of Local Authorities

4.4.4.1 Classification of Local Authorities' Functions into Financial Categories

The various functions of local authorities can be divided into three financial categories:

- i. Functions of local importance which have to be financed from local funds, e.g. administration, fire, personnel and stormwater drainage.

- ii. Functions of regional importance which have to be financed from municipal and state funds, e.g. township development, industrial zoning and provision of freeways and through roads.
- iii. Functions of national importance where the local authority acts as the agent of provincial or central authorities and is financed by the authority concerned, e.g. health services, environmental pollution, national freeways and vehicle licensing (RSA, Browne Committee, 1980 : 6).

4.4.4.2 Sources of Income

The South African local government system operated largely on the basis of self-sufficiency. Most of the revenue was self-generated, although the provinces determined the sources of revenue. The major sources of revenue were,

- rates on fixed property⁵ (the power of rating goes back to pre-Union days);
- income derived from trading services such as electricity, water and gas supply services;
- service charges for certain amenities rendered by local authorities, e.g. fees for swimming pools, rent for municipal halls;
- subsidies from central and provincial government, often in the form of specific grants;
- loans which could be raised under prescribed conditions and for specific purposes (see 4.5.3.1 Financial Controls for more detail) (J. Cloete, 1986 : 71-74;

Craythorne, 1980 : 205-209; RSA, Browne Committee, 1980 : 28).

An examination of 1978 financial statistics show that rates (16,3%) and trading (55,9%) provided the lion's share of current revenue (Solomon, 1983 : 23). Service charges hardly covered the cost of rendering services. Grants provided only 4,2% of current and capital expenditure compared to Canada (46,5%) and the United Kingdom (49%). A major reason for this was that education, social welfare and police functions which are heavily subsidised by higher tier authorities in these countries, are not local government functions in South Africa. What grants there were came from provincial administrations for services such as libraries, museums and separate beaches, as well as central government for services such as health and transport (RSA, President's Council, 1982B : 64-65).

As a result of constant complaints by local authorities that their sources of income were insufficient to fund their growing responsibilities,⁶ the government appointed the Borckenhagen Commission to examine intergovernmental financial relations. However, the Commission rejected local authorities' claims for additional sources of revenue, finding that income from property tax had not reached its limit (RSA, Borckenhagen, 1960 Part I : 30, 38, 40, 42-43).

4.5 CONTROL OVER LOCAL AUTHORITIES

4.5.1. Reasons for Centralisation

The Westminster era has generally been recognised, even by government spokesmen, as a period of increased central-

isation of local authorities' powers and functions (Heunis, 1988 : 209). Four main reasons can be identified. Firstly, the trend can be ascribed partly to the tendency of central authorities in both unitary and federal states to centralise decision-making powers. This was exacerbated by the lack of restraints on the centre's ability to accumulate more power. As pointed out (in 4.2 Constitutional Framework) local authorities had no entrenched rights. The ultra vires doctrine existed and their powers and functions could be, and were, revoked by higher tiers of government.

Another reason for this centralisation was the ineffective division of powers between the three tiers of government. When provincial councils were introduced at the time of Union no new national allocation of functions was made between the provinces and local authorities. As a result, centralisation of policy-making occurred in functions such as health due to local authorities having inadequate financial bases to perform necessary functions and to employ trained staff. This unsatisfactory intergovernmental relationship was the subject of a number of government investigations. However, no rational re-allocation of functions resulted from these investigations (Floyd, 1952 : 107; Roux, 1971 : 155; Hattingh, 1986 : 17).

Macro-economic objectives provided a third reason for centralisation. There was a belief that only the central government could ensure macro-economic objectives such as price level stability. This caused it to encroach on local

authorities' financial affairs (see 2.10.2 Macro-Economic Objectives).

The fourth reason was the need to ensure the implementation of apartheid. The NP was elected to power in 1948 on its apartheid (separate development) manifesto. Apartheid meant large-scale social engineering in all spheres of life, including local authorities' functional activities. The NP initially expected white local authorities to be agents in the implementation of apartheid laws. However, in certain major cities the government believed that municipalities controlled by the United Party (cited hereafter as UP)⁷ were deliberately obstructing the implementation of strict segregation (see 5.5. Administration Boards for more detail). More direct state control was needed to ensure the successful introduction of apartheid. A number of important apartheid Acts which curtailed local government autonomy were introduced, such as the Separate Amenities Act and the Group Areas Act (see 4.5.2 Central State Controls). Further, the differentiation of structures according to race was accentuated with separate structures being introduced for Blacks, Coloureds and Indians. Such structures were introduced under close central state control. The heyday of apartheid was associated with the brutal crushing of all 'non-white' opposition to the system; accordingly the state had no intention of giving such groupings platforms which they could use against the central government (Floyd, 1952 : 107,

143-144; Roux, 1971 : 155; Hattingh, 1986 : 17; Slabbert and Welsh, 1979 : 87; Welsh, 1979 : 149).

4.5.2. Central State Controls

The Group Areas Act of 1950 provided for the demarcation of suburbs and districts into different areas of residence and ownership. The Group Areas Board was appointed to report to the responsible minister on the allocation of various Group Areas for members of different racial groups. Disqualified people had to move out of such areas. The Board was attached to the State Department of Planning and local authorities were consulted only on such decisions. In a number of cases, such as that of Cape Town, local authorities were opposed to the racial demarcation of their areas and made unsuccessful representations in this regard to the Group Areas Board. The Separate Amenities Act of 1953 provided for separate amenities in all governmental and private premises and vehicles, including schools, hospitals, parks, beaches, hotels, theatres, restaurants, buses, taxis and places of entertainment. The Act was an enabling one. The various provinces introduced ordinances empowering the Administrators to direct local authorities to segregate public facilities. The Industrial Conciliation Act of 1956 provided for the reservation of certain occupations for Whites only. These included local government vocations (see 4.5.3.2 Personnel Control for more detail).

The Physical Planning and Utilisation of Resources Act of 1967, as amended in 1975, made provision for central government control over the zoning and sub-division of land

for industrial purposes. Major planning policies were drawn up at national level. More detailed guide plans were formulated at regional level by government planning committees. Local authorities' industrial planning had to be within the framework of such plans. Further, land could not be zoned for industrial use without state approval. These measures centralised policy in respect of industrial zoning. The reason for such control was largely apartheid-based. For example, the draft guide plan for Cape Town was wedded to the Group Areas Act and the acceptance of Atlantis as an industrial decentralisation point.⁸

In order to accelerate the separate development policy, control of administration of Blacks in urban areas was removed from the control of White local authorities and placed under the jurisdiction of newly created Administration Boards (see 5.5. Administration Boards). Finally, the government also abolished the Cape's (albeit limited) non-racial municipal franchise and replaced it with segregated structures (see 4.6 Coloured Local Government for more detail) (Slabbert and Welsh, 1979 : 87; RSA, President's Council, 1987 : 8-12, 41-50; RSA, Browne Committee, 1980, Annexure D : 27; RSA, President's Council, 1982B : 42-44, 80-90; Vosloo, 1974 : 36; Urban Problems Research Unit (cited hereafter as UPRU), 1986 : 75-79; Rees, 1979 : 5; Welsh, 1979 : 149).

All these apartheid measures have severely eroded local government autonomy. As the Browne Committee (1980 : 141) noted:

The need for coordinated policy-making in South Africa's special circumstances has resulted in relatively less functions being provided at local government level than in most western countries.

There were also a number of Acts which, while not directly related to apartheid policies, placed certain obligations upon local government. Some of the more important of these will be discussed. The Health Act of 1977 made it obligatory for local authorities to perform certain health functions, such as the prevention of infectious diseases and the provision of health inspection and family planning services. The Housing Act of 1966 made provision for the establishment of the National Housing Commission (cited hereafter as NHC) and National Housing Fund (cited hereafter as NHF). All housing schemes proposed by local authorities had to be approved by the NHC, which also regulated the provision and standard of housing, e.g. size, materials and building regulations. The NHF was used to grant housing loans to local authorities. Detailed provisions controlled the advance of such loans and the recovery of interest and capital.

In terms of the Electricity Act of 1958, electricity rates were subject to approval by the Electricity Control Board, as was the extension of a local authority's rated general capacity by more than 10% a year. Control was also exercised over the supply by local authorities to areas beyond their boundaries. In terms of the Civil Defence Act of 1977, local authorities were obliged to participate in

certain aspects of civil defence. There were direct financial obligations imposed on local authorities by the state, e.g. import duty, excise duties on essential commodities such as diesel fuel, fuel tax and General Sales Tax (cited hereafter as GST). Another constraint on autonomy was the Community Development Act of 1966 which provided for the development of certain areas by the Community Development Board. This board had wide powers over local authorities, e.g. in respect of the acquisition and disposal of property and the supply of services for development purposes. Areas developed by the Board were exempt from rating and were not subject to local by-laws (RSA, Browne Committee, 1980, Annexure D : 26-27; Craythorne, 1982 : 171-173; Labour Research Commission, 1982 : 74-75; Venter, 1984 : 403).

4.5.3 Provincial Controls⁹

Since 1910 the provincial authorities gradually but increasingly assumed the role of watchdog over the activities of local authorities. As early as 1936 it was remarked that the achievement of provincial administrations in respect of local government

had been positively negative - not only have they not encouraged local government, but they have actually gone so far in the opposite direction as to encroach on powers of certain local institutions and to destroy the effectiveness of others (Freed, 1936 : 63).

This trend continued until the provinces ended up controlling and interfering in many facets of local authorities' activities (Meyer, 1978 : 79).

How was this control exercised? Each province promulgated a general ordinance laying down the functions and powers of local government and the procedures they were to follow. These were supplemented with other ordinances dealing with various functional areas, e.g. town planning, electoral qualifications, etc. A Directorate of Local Government was established in each province with responsibility, inter alia, for enforcing local authority ordinances, issuing circulars explaining policy and detailing administrative instructions (Meyer, 1978 : 80). Gildenhuys (cited in De Wet, 1984 : 280) pointed out that power was often delegated within Provincial Administrations so that low-ranking provincial officials were able to dictate, and in some cases interpret, policy to local authorities. No differentiation was made between the powers granted to the smallest local areas and the larger cities. There was a uniform policy in respect of control measures which did not take cognisance of the varying capacities of local authorities (Meyer, 1978 : 179).

Although the elected provincial Member of the Executive Committee (cited hereafter as MEC) for Local Government was the nominal head of these Departments of Local Government, most powers in respect of the control of local authorities were vested in central government-appointed Administrators. These Provincial Administrators' powers included:

- the establishment of local authorities;
- all by-laws had to be approved by him and he could modify or veto such by-laws;
- he could force a council to pass by-laws against its wishes and if a council refused to do so he could authorise another body to perform the function and claim the costs from the local authority concerned;
- he could overturn local authorities' town planning decisions if affected citizens appealed to him to reconsider such a decision;
- he controlled the monthly allowances of councillors;
- he could empower local authorities to segregate facilities;
- he could appoint commissions of inquiry to investigate allegations of misconduct against local authorities and if misconduct was found by such a commission, he could take disciplinary steps against the council/councillors concerned;
- He could limit the type of organisations to which councils could make grants-in-aid.

It was pointed out (in 3.7 Hierarchical Relations) that six forms of administrative control exist over local authorities, viz. approval of decisions; directives/instructions; the powers of suspension, annulment, reformation and substitution. The Administrator had all these powers at his disposal.

There were also major financial and personnel controls, which will be examined in some detail in the next two sub-

sections (Craythorne, 1980 : 258-260 and 1982 : 123-125; Vosloo, 1974 : 25-26; Roux, 1971 : 125-126; Vosloo and Schrire, 1978 : 84; RSA, Browne Committee, 1980, Annexure D : 25).

4.5.3.1 Financial controls

There was a plethora of financial controls over the activities of local authorities. Most of these powers were vested in the respective Administrators. Local authorities were obliged to keep a detailed record of all assets, liabilities and financial transactions. They had to prepare estimates of income and expenditure in respect of both capital and operating current accounts. The Administrator placed limits on the rates which local authorities were allowed to levy. There were also limits on the valuation of property. Provincial ordinances circumscribed the powers and duties of valuers, the composition of the valuation roll and the basis of valuation courts.¹⁰ Local authorities were not allowed to budget for deficits on the operating account and if the budget showed a deficit the Administrator had the power to force the local authority to levy an extraordinary rate. Local authorities could not exceed the estimated expenditure without approval of the Administrator. All capital expenditure over a certain amount had to be approved by the Department of Finance. Since the mid-1970s this had entailed an annual growth percentage determined by the Minister of Finance.

The Administrator also had controls over local authorities' ability to borrow money. Money could only be

borrowed for prescribed purposes and there were ceilings on the amount that could be borrowed. Local authorities could borrow money from the Public Debt Commissioners. Detailed financial provisions governed the terms and conditions of such loans. As part of its control over the capital expenditure of local authorities, the Department of Finance required approval of capital borrowing of local authorities that exceeded R1m in a financial year.

Local authorities were also required by ordinance to keep Capital Development Funds (cited hereafter as CDF), which were sources of internal financing. A certain percentage of current income had to be paid into a CDF along with, inter alia, surpluses on the sale of assets and unanticipated surpluses on operating accounts. Advances could only be made from these funds by way of repayable loans which were subject to various regulations. The Administrator also placed restrictions on institutions where local authorities could invest funds. Local authorities were obliged by ordinance to call for tenders for contracts for the execution of work and supply of goods which exceeded a certain limit. A strict procedure had to be adopted regarding the opening of tenders. The Administrator also placed a ceiling on the amount of revenue that could be used by local authorities for grants-in-aid.

All local authorities' books had to be audited by Provincial Auditors or private professional accountants working under the supervision of Provincial Auditors. The auditors forwarded a report in which any irregular actions

were mentioned to the municipal councils. Provincial Auditors had wide powers of disallowance and surcharge: any ultra vires expenditure was disallowed. When Johannesburg City Council started a social welfare department, the provincial auditors ruled that expenditure on this function was ultra vires. The department accordingly had to be dismantled (RSA, Browne Committee, 1980, Annexure D : 24-27, 35; Craythorne, 1980 : 192-221; Vosloo, 1974 : 29).

4.5.3.2 Personnel control

South Africa inherited the separate British personnel system whereby each local authority acts as a completely independent employer. Local authorities could employ their own staff under the respective conditions of employment which were approved by the Administrator of a particular province in terms of its relevant ordinance.¹¹ These were usually only general guidelines, e.g. local authorities could only employ workers on the basis of merit, viz. qualifications and fitness for the particular type of work involved. However, certain key appointments had to be approved by the Administrator or functional Ministers. All local authorities had to obey the provisions of the Factories, Machinery and Building Work Act of 1941, the Shops and Offices Act of 1964 and the Labour Relations Act of 1956. The former two Acts provided for central protection of the worker. The Factories, Machinery and Building Work Act laid down regulations for safety at the work place. The Shops and Offices Act laid down certain work procedures such as reviewing weekly working hours, overtime, termination of

contract, annual and sick leave. The Labour Relations Act, on the other hand, provided for compulsory arbitration in disputes which officials and their employing local authorities could not settle (J. Cloete, 1986 : 75-76, 85; Craythorne, 1990 : 210-227).

There were controls over the service conditions of town clerks. Up to the 1950s, local government could set its levels of remuneration, subject to the normal process of bargaining with trade unions. Beginning in the Transvaal and spreading to other provinces, control over town clerks' remuneration and service benefits conditions was removed from the ambit of the Industrial Conciliation Act and placed under control of the respective Administrators. The objective behind this was to strengthen the organisational structure of town clerks by making them more responsible for overall leadership, co-ordination and general management. The town clerks were removed from the ambit of the Industrial Conciliation Act so that they could be unaffected in staff negotiations and disputes between their councils and council employees. However, the respective Administrators down the years assumed more control over town clerks through provincial ordinances, which imposed stringent conditions of service, including maximum salaries for these officials.

This system led to divided loyalties. Arbitrary dismissal of town clerks occurred. Local government autonomy was undermined by the fact that it was the province and not their employer, the local authority concerned, who

was responsible for the conditions of service and the continued employment of town clerks (Craythorne, 1982 : 373-374; Evans, 1985 : 1-4). This increased provincial control over town clerks also indicated a shift towards the unified staff system for this group of employees. As pointed out (in 3.2 Personnel), one of the main features of this system is that a higher tier of government sets comprehensive national service conditions for senior local government employees.

Apartheid affected local government personnel practices in that certain vocations, such as ambulancemen, firemen and traffic police, were reserved for whites only in terms of central government legislation in the 1950s. This led to severe shortages of staff in these vocations in certain local authorities (Labour Research Commission, 1982 : 62; Cape Times, 20/2/1982; Roux, 1971 : 125-126).

4.5.4 Local Choice

This extensive range of control may give the impression that local authorities were nothing more than local administrative agents of central government. However, while a great deal of centralisation has occurred, local authorities still had a certain degree of local choice. There had been greater control in respect of finance and personnel generally, along with a trend towards the centre laying down general standards for certain services and determining policy for certain functions. However, local authorities still had a certain amount of autonomy in respect of raising different levels of revenue (within limits), setting

priorities across services, deciding how much to spend on different services, setting policy for certain functions, and the method of service provision.

Furthermore, the fact that councillors were directly elected and not appointed was in itself conducive to devolution of power (see 3.2.4. Other Personnel Indices).

4.6 RACIAL DIVISION OF POWERS

It was pointed out (in 2.1 Introduction) that the division of powers and functions amongst the various tiers of government is known as the areal division of powers. However, South Africa developed what can be termed a racial division of powers during the Westminster era. This has co-existed, and in some areas dovetailed, with an areal division of powers. In the case of Black local authorities this system existed from soon after Union (see 5.3 Black Advisory Boards), while in the case of Indian and Coloured local authorities this process was only developed after the election of the NP to power in 1948. The latter system will now be examined.

4.7 COLOURED AND INDIAN LOCAL GOVERNMENT

When the NP was elected to power in 1948, the municipal voting qualifications for Coloureds and Indians in the various provinces were:

- In the Transvaal and Orange Free State only Whites were able to vote and stand for election at municipal level.¹²
- In the Cape, Coloureds and Indians had technically been on the same legal footing since 1836. They appeared on

the same voters' roll as Whites and had to fulfil the same voting qualifications.

- In Natal, both Coloureds and Indians were on the voters' roll and could stand for election. However, the system of electoral representation was property ownership of a certain value. This effectively debarred the majority of Coloureds and Indians from eligibility to vote. There were further restrictions affecting the ability of Indians to vote in Natal.¹³ (RSA, President's Council, 1982B : 18-23).

Racially integrated local authorities were contrary to NP policy of having separate political structures for different racial groups. The genesis of separate local government structures was the Group Areas Act of 1950, which made provision for separate residential areas and for the eventual introduction of separate local government structures in Coloured and Indian areas. However, no active steps were taken to introduce separate local government structures until 1961 when the Niemand Committee of Investigation was appointed to investigate the development of local government for Coloureds in urban areas. As a result of its recommendations, the Group Areas Amendment Act of 1962 was introduced which made provision for three phases in the development of Coloured and Indian local government. The three phases were:

- 1) Consultative Committees which consisted of nominated members having advisory powers only and functioning

under close official guidance of the local authority where they were geographically situated.

- 2) Management Committees, which were partly elected and partly nominated, also having advisory powers but in addition certain powers could be delegated to them by their 'mother' White local authorities.
- 3) Fully-fledged municipal status equivalent to White local authorities. Before this happened, investigation was needed by a special committee which recommended whether a Management Committee should become a local authority. Certain essential prerequisites, such as sufficient revenue, trained staff, minimum area size, and the capability of being geographically consolidated, had to be fulfilled before a local authority could take this step.

In Natal, a two-stage evolutionary process was established, Local Affairs Committees (cited hereafter as LACs) existing in place of both Consultative and Management committees. LACs had more power than Management Committees. They were corporate bodies which were able to sue and to be sued, and greater executive powers could be delegated to them by their mother White local authorities.

Although the Minister of Community Development¹⁴ was ultimately responsible for the development of Coloured and Indian local government, its practical application was the responsibility of different provinces, each of which adopted its own ordinances and framed regulations for this purpose.

The consultative stage was soon dropped and Management Committees/LACs were created for most Coloured and Indian communities under the tutelage of their 'mother' White local authorities from 1964 onwards. Management Committees/LACs administrative staff are employed by their 'mother' White local authority (Evans, 1969 : 97-99; Vosloo, 1974 : 46-49; RSA, President's Council, 1982B : 19-25; van Rooyen, 1987 : 3-4 and J. Cloete, 1988 : 44-48).

This new form of Coloured representation co-existed with direct representation on White local authorities in the Cape until 1971 when a provincial ordinance changed the voting requirements so that only those who were registered as parliamentary voters (i.e. Whites) could now register as municipal voters¹⁵ (CCC, 1982 : 314 and Craythorne, 1982 : 46).

Only four Indian LACs (Verulam, Isipingo, Marburg and Umzinto North) in the whole country have evolved into independent local authorities. No Coloured Management Committee/LAC has evolved into an independent local authority.¹⁶ Various commissions on Coloured local government highlighted the reasons for this lack of evolution. The Roussouw Report of 1960 found that no Coloured area in Greater Cape Town was in a position to become an independent local government. The most important reasons for this were their lack of viability - most Coloured and Indian areas are characterised by little or no rate-generating commercial and industrial areas as well as by low rateable, low-cost housing, shortage of trained

staff, lack of suitable candidates and the fact that for town planning reasons local authorities treated Coloured areas as an integral part of their jurisdiction. The Botha Report of 1971 came to the same conclusion. Indian local areas were subject to similar constraints (Craythorne, 1982 : 35, 60).

The mandate of the Theron Commission was to investigate all facets of Coloured life, including local government. The Commission found that Management Committees as a system had largely been a failure. The main reasons for this were:

- Lack of executive powers. This meant that such bodies were toothless and, as a result, ineffective.
- Especially in the more educated urban areas, Coloureds were opposed to apartheid structures and wanted direct representation on White local authorities.
- There were jurisdictional and structural problems such as geographical fragmentation of Coloured areas that were impediments to such bodies becoming viable entities.
- There was often a lack of mutual goodwill between White local authorities and their Management Committees.
- The fact that the Coloured Persons' Representative Council (cited hereafter as CPRC)¹⁷ and Provincial Administrations had concurrent jurisdiction led to ineffective coordination of the system (RSA, Theron Commission, 1976 : 440-443).

The Schlebusch Commission was appointed by the Cape Provincial Administration (cited hereafter as CPA) in 1978

to investigate the functioning of the Management Committee system in the Cape Province, with a view to delegating extra powers to these bodies. This was a response to complaints by the Association of Management Committees (cited hereafter as ASSOMAC)¹⁸ that local authorities were ignoring their legitimate requests. Coloured members of this Commission argued that the system had been imposed upon them and that it lacked effective powers. The Commission also found that the system was being used for political purposes, which hindered its proper functioning, and that members of such bodies were inadequately trained (RSA, President's Council, 1982A : 33-41).

Finally, another reason for this lack of progress was that Management Committees/LACs, through their various provincial representative bodies as well as major Coloured and Indian political parties who control most of these bodies, have always rejected separate representation. They argue that participation in these structures is a short-term strategy in order to achieve their ultimate goal, viz. non-racial representation on currently White city councils (see House of Representative Debates [cited hereafter as HRD], 17/6/1987 : Cols. 986-9 for the policy of the Labour Party [cited hereafter as LP], the ruling party in the CPRC from 1975 until this body's dissolution in 1979, in this regard).

It can briefly be mentioned that in terms of the Rural Coloured Areas Act of 1963, provision was made for two different forms of local government institutions in Coloured rural areas. Firstly, there were advisory boards, which

could advise the Minister of Community Development in matters affecting their areas. The second form was a Board of Management into which these advisory boards evolved. These Boards had certain defined local government powers and were competent to render a number of municipal functions (Vosloo, 1974 : 49-50; J. Cloete, 1988 : 247).

4.8 CONCLUSION

The 1910 constitution created a unitary centralised state in South Africa. Both provincial and local government were subordinate legislatures having no inherent powers. Local government had no constitutional rights. Its powers and functions could be revoked by higher tiers of government. The ultra vires doctrine existed. Local authorities could only make by-laws within the parameters of both national and provincial legislation. The provincial government system contained elements of both devolution and deconcentration. However, down the years, the provincial government lost both powers and functions to central government. The Administrator, a central government appointee, was the Executive-in-Chief of provincial government. He had a great number of supervisory powers over local authorities.

The South African local government system was characterised by differentiation in almost every conceivable aspect. White local authorities were multi-purpose institutions providing a wide range of services to the public. They lost functions and powers to both central and provincial government after Union. The major reasons for this were lack of constitutional safeguards, ineffective

division of powers between the three tiers of government, central macro-economic objectives, and the fact that the implementation of apartheid required central control. Various manifestations of both central and provincial control were discussed. However, despite increased centralisation, local authorities still retained a certain amount of local choice. Finally, segregated structures were introduced for Coloured and Indian race groups. These bodies generally had little power and influence.

CHAPTER V

HISTORY OF BLACK LOCAL GOVERNMENT : 1910-1979

5.1 INTRODUCTION

This chapter traces the history of Black local government¹ which, during the Westminster era, constitutionally and politically took a different route from that of White, Coloured and Indian local government. It will show how Black local representation was linked with White requirements for Black labour. Various forms of Black local structures that existed in this period - Advisory Boards, Urban Bantu Councils (cited hereafter as UBCs) and Community Councils - will be examined, as will Administration Boards which were forms of deconcentrated administration. The financing of Black local authorities will also be examined.

5.2 LOCAL GOVERNMENT AND BLACK LABOUR

The history of Black local government representation in South Africa is inextricably linked with White requirements for Black labour. As Stadler (1987 : 102) puts it:

a clear distinction cannot be made between control and allocation of labour on the one hand and the administration of amenities and services on the other in a situation in which Africans were entitled to be in urban areas only in order to perform labour services.

The genesis of this policy pre-dates the era of industrial capitalism. Welsh (1971 : 196-197) points out that various forms of pass laws regulating Black entry into White areas have existed since the 18th century. However,

it was only in the early 20th century that this policy was systematically applied. The Native Land Act of 1913 set aside about 7% of the country as Black reserves. Blacks were no longer allowed property in the other 93% of the country which was designated as 'White' South Africa. The Stallard Commission of 1922 enunciated the modern basis of this urban policy, which was to endure for over 60 years, by arguing that Blacks should be allowed into White areas for labour purposes only. The commission stated that "it should be a recognized principle of government that natives - men, women and children - should only be permitted within municipalities insofar and for so long as their presence is determined by the wants of white population" (cited in Welsh, 1979 : 132).

This principle was embodied in the Native (Urban Areas) Act of 1923. It gave White local authorities the power to impose influx control on Black migrants entering White cities and towns. Blacks who were deemed 'surplus labour requirements' were denied permission to settle in white areas (Kane-Berman, 1979 : 23).

The Black (Urban Areas) Consolidation Act of 1945 as amended in 1952 tightened influx control. Section 9 of the Act segregated Blacks into separate residential areas. Section 10 prevented a Black person from staying in White urban areas for more than 72 hours unless there was proof that:

- (1) he had, since birth, resided continuously in the area;

- (2) he had 10 years continuous service for one employer or 15 years continuous employment with more than one employer and resident in a prescribed area;
 - (3) he/she was a dependent of those who qualified under (1) and (2);
 - (4) he/she had permission from a labour bureau to be there.
- (Welsh, 1982 : 93-94).

This was controlled through pass laws. All Blacks had to have identification papers consolidated into a single reference book. This was extended to Black women in 1952 and enforced as from 1960 (Welsh, 1982 : 94).

The NP was elected to power in 1948 on its apartheid policy. Regulating the uncontrolled flow of Blacks into urban areas formed a major component of this apartheid manifesto. Dr. Hendrik Verwoerd, Prime Minister from 1958 until 1966, gave this reserve policy pseudo-scientific status by claiming that South African Blacks consisted of different ethnic groups who would be given their own 'homelands' with the view to ultimate independence. This was known as the separate development policy and was embodied in the Promotion of Self-Government Act of 1959. Black political aspirations were now to be channelled into evolving homeland political structures (Schrire, 1982).

5.3 BLACK ADVISORY BOARDS

If Blacks were only 'temporary sojourners', it followed quite logically that they were to be denied political rights in White South Africa. No Blacks have ever been represented in central decision-making bodies and until 1982 no Black

local government structure remotely resembled the English devolved model (see 2.2 Terminology).

In terms of the South Africa Act of 1909 and the Native (Urban Areas) Act of 1923, the administrative responsibility for urban Blacks was divided between central and local government on a partnership basis. An attempt was made to strike a balance between local autonomy on the one hand and the requirements of central government policy towards Blacks on the other (Welsh, 1979 : 141-142). From 1910 until 1923 there tended to be a lack of uniformity and direction from the Department of Native Affairs (Riekert, 1983 : 145-146). The Native (Urban Areas) Act of 1923 retained this system, but created a single uniform legislative framework for the country as a whole. Local authorities were obliged to provide segregated residential areas for Blacks and to set up advisory boards. They were also required to provide housing and welfare amenities for Blacks (Welsh, 1971 : 232; Vosloo, 1974 : 40). Officials responsible for enforcing the laws and regulation of the Act had to be licensed by the central government's Department of Native Affairs (Welsh, 1979 : 137-138).²

This Act was further consolidated by the Black (Urban Areas) Consolidation Act of 1945 which required White municipalities to establish a Black advisory board for every Black location within its area of jurisdiction. Advisory boards could be either elected or nominated (Vosloo, 1974 : 42-43). The powers of these boards were (as the

designation indicates) purely advisory. Their functions were to consider and report on:

- i) any regulation which the local authority proposed to make affecting Black people in the location;
- ii) any matter referred to it by the Minister of Native Affairs or the local authority;
- iii) any matter specifically affecting the interests of the Black in the urban area, upon which the Board may consider it useful or desirable to report. (Evans, 1969: 105-106).

The board could also recommend to its 'mother' local authority the making or adoption of any regulation which it considered necessary or desirable in the interests of the Black in the urban area (Evans, 1969 : 106). However, this form of representation proved to be inadequate. Many local authorities did not establish advisory boards and others did so at a rather late stage. Furthermore, local authorities tended to ignore the recommendations of advisory boards where they were in fact established.³ (Prinsloo, 1979 : 44; RSA, President's Council, 1982A : 19-31; Maylam, 1990 : 66).

There was also control over local authorities in respect of administration of townships in this period. The Department of Native Affairs, inter alia, vetoed local authorities' developmental projects for Blacks and reduced loan funding for housing as an influx control measure (Bloch and Wilkinson, 1982 : 31-32).

5.4 URBAN BANTU COUNCILS

The Urban Bantu Councils Act (1961) made provision for Black representative councils with executive as well as advisory powers. The intention was for White local authorities to delegate additional powers to UBCs. These councils initially consisted of elected and nominated members, but by 1970 they consisted entirely of representative members. The various powers and functions that were delegated were subject to the approval of the Minister of Native Affairs (Vosloo, 1974 : 43-45). Potential functions included the erection and use of dwellings, allotment of sites for church and school purposes, influx control and the layout of Bantu residential areas (Evans, 1969 : 111-112).

Because the onus was on local authorities to delegate powers to UBCs, it tended to be a rather uneven process. However, in most cases extensive executive powers were not conferred upon UBCs (Vosloo, 1974 : 45). There was the feeling even amongst more liberal councils that Blacks were not competent enough to govern themselves efficiently (Evans, 1969 : 114).

Like their predecessors, advisory boards, UBCs failed. Firstly, they were powerless due to the reluctance of White local authorities to transfer powers to them. Secondly, UBCs were more explicitly rejected for political reasons. Many Blacks saw UBCs, being based on racial grounds, as collaborators in the implementation of apartheid (Welsh, 1982 : 152).

5.5 ADMINISTRATION BOARDS

The Black Affairs Administration Act of 1971 divested White local authorities of their responsibility for the administration of urban Black areas. Control of this function was vested in the newly created Administration Boards. Two major reasons for this policy change can be identified. Firstly, White local authorities were blamed for the failure of UBCs through their reluctance to delegate executive powers to these bodies (President's Council, 1982A : 31).

Secondly, since the election of the NP to office in 1948, there had been conflict between it and the UP-controlled municipalities (which controlled most major metropolitan local authorities) in respect of a number of issues; viz. housing policy, influx control, financial matters and the degree of discretion in the administration of policy. A number of municipalities (in particular Johannesburg) did not share the government's view that the urban Black was a transient dweller and were accordingly lukewarm in implementing influx control. Since the 1950s local authorities had had their autonomy steadily undermined by the Department of Native Affairs in respect of regulating the presence of Blacks in urban areas. The government had carried out forced removals of Black communities in local authorities (such as Johannesburg) against the latter's wishes (Bekker and Humphries, 1985 : 2-10; Kane-Berman, 1979 : 64).

In 1956 Dr Verwoerd, then Minister of Native Affairs, redefined the central-local relationship in respect of urban

Blacks. The partnership role between central and local governments which underpinned the 1923 Native (Urban Areas) Act was no longer considered to be in effect. Rather, "the task of urban authorities is to carry the policy of the country into effect, not to create basic policy for themselves or for the country" (Verwoerd, 1956 : 126).

Despite the fact that local authorities' autonomy in respect of urban Blacks had been largely eroded, the government was not even satisfied with the former bodies performing this function on an agency basis, hence the introduction of Administration Boards.

The main objectives of the Black Affairs Administration Act, 1971 were, inter alia, to bring about a more effective and efficient administration over larger areas and to achieve greater mobility in Black labour. For these purposes, 22 Administration Boards were established country-wide (Riekert, 1979 : 64). They were vested with all the rights, functions and duties of local authorities in terms of all legislation and provincial ordinances relating to Black affairs (Vosloo, 1974 : 42).

However, the Administration Boards did not have policy-making powers nor powers to make regulations. This resided in the Minister of the Department of Cooperation and Development (cited hereafter as DCD and previously known as Native Affairs). Each Administration Board consisted of an Administration Board (viz. a governing body without any executive powers) and municipal personnel. This Administration Board consisted of a Chief Executive and

other members nominated by the Minister, which included public servants, experts in agriculture, commerce and industry and representatives of local authorities in the Board's area of jurisdiction. The terms of conditions of the Board's personnel were determined by the Minister. A large number of staff who were attached to the Black Affairs Administration departments of White local authorities were transferred to these new bodies (RSA, Riekert, 1979 : 64-67; Vosloo, 1974 : 42).

The main functions of these boards were in the fields of labour, influx control, trading services, housing and recreational facilities. Two of these functions, viz. labour and trade (for sorghum beer production) were not undertaken by White local authorities. White municipalities continued to deliver certain services on an agency basis for Black areas, in particular health and transport (Bekker and Humphries, 1985 : 18-29).

The Minister of DCD retained overall responsibility for urban Black affairs. These boards were subject to the same statutory controls as White local authorities. However, it has been cogently illustrated that the introduction of these Boards led to greater centralisation of powers. The Minister of DCD had far greater control over general policy towards urban Blacks. As Bekker and Humphries (1985 : 18) point out: "Ministerial appointment, staff recruitment and DCD control ensured that the spirit and the letter of government policy were effectively implemented."⁴ For example, the government announced that only supporters of NP

policy would become chairmen of the board (Kane-Berman, 1979 : 64). Unlike White local authorities, who were at least democratically elected (by Whites), the Administration Boards were directly accountable to the Minister of DCD. This contributed to Administration Boards generally proving to be more unbending to deal with than White local authorities (Grest and Hughes, 1984 : 4), and also being less receptive to the wishes of UBCs (Kane-Berman, 1979 : 51-52).

The Administration Boards, unlike some of these major White local authorities, were enthusiastic supporters of the NP, in particular implementing influx control with great vigour. Welsh (1982 : 100) argued in 1982, at a time when the NP was moving into a post-Verwoerdian era, that the Board and the DCD "are entrenched bastions of conservatism, still to a large extent steeped in the ideology of Verwoerd."

5.6 COMMUNITY COUNCILS⁵

1976 saw the massive uprising in urban Black areas against apartheid rule (Kane-Berman, 1979). The Cillie Report into this urban insurrection commented that the Administration Boards were generally unresponsive to Black demands. Evidence submitted to the Commission painted a poor picture of the high-handed and racist attitudes of many Board officials. However, because the Administration Boards had control over so many aspects of the lives of Blacks, they were forced to deal with these Boards almost on a daily basis (Welsh, 1982 : 100-101).

Although never officially acknowledged, the decision to establish Community Councils a year after the 1976 riots was a tacit admission on the part of the government that UBCs had failed as representative bodies (Bekker and Humphries, 1985 : 99). It also seemed to indicate that the arrangement whereby Administration Boards acted as central government agents was not satisfactory either. Community Councils with meaningful powers were seen by the State as a channel through which the demands of urban Blacks could be peacefully articulated and defused (Bloch, 1982 : 146).

Besides the introduction of Community Councils, there was also a change in policy in that facilities and services in urban Black areas were now to be upgraded (Stadler, 1987 : 114). Because Blacks were only regarded as 'temporary sojourners' in White areas, community facilities in Black townships had hitherto been deliberately neglected (Welsh, 1982 : 101). Further, provision was made in 1978 for house-ownership under the 99-year leasehold system for urban Blacks who qualify for Section 10 rights (Welsh, 1982 : 105). This development of urban Black areas gradually began to undermine the 1922 Stallardist principle.

The Community Councils were elected representative bodies vested with executive powers in respect of a number of issues. It was claimed that "these councils constitute the first proper form of local self-government to be introduced into Black urban communities in the Republic of South Africa outside the national states" (Riekert, 1983 : 147). Amongst the most important functions were:

- i) the allocation and administration of the letting of accommodation to single persons as if they were single;
- ii) the allocation and administration of the lettings of dwellings and buildings and other structures;
- iii) the prevention and combating of the unlawful occupation of land and buildings;
- iv) the allocation and administration of sites for church, school or teaching purposes;
- v) the approval of building plans of private dwellings and the removal or demolition of unauthorised or abandoned buildings or structures (Bloch, 1982 : 48-49).

Control of influx control and labour remained with Administration Boards (Bloch, 1982 : 56-57). Community Councils also lacked certain typical White local government functions such as health, traffic and transport (Prinsloo, 1979 : 50). The Minister of DCD had the power to establish Community Councils. Where established, they replaced UBCs. They were intended to function and develop alongside Administration Boards (RSA, Riekert, 1979 : 74-75).

Only registered inhabitants of urban areas could vote for Community Councils; viz. those with Section 10 qualifications (Bloch, 1982 : 48).

Community Councils had greater powers than UBCs in certain ways. Firstly, unlike their predecessors, they were constitutionally and legally separate from both central and other local government structures. Secondly, powers could devolve to councils to the exclusion of the Administration Boards instead of, as was previously the case, the Boards

having a jurisdiction in respect of matters assigned to UBCs. Thirdly, Community Councils could gradually evolve into fully-fledged local authorities, which was a further undermining of the 1922 Stallardist principle (Atkinson, 1984 : 2). Another advancement was that Community Councils had the right to appoint their own staff. However, this was tempered by the fact that these powers had to be exercised in concurrence with the Administration Board and subject to any condition the Minister may determine (Section 5(i) of the Act).

There were, however, a number of centralising measures prevalent in the Act. The Minister had the power to establish and dissolve councils. He could decide what functions and powers to vest in them, no powers and functions being conferred automatically. After consultation with the respective Administration Boards he would decide what functions would be vested in Community Councils. The conferment of functions depended on the preparedness of the individual council. The Minister had the authority to remove powers from the councils on the basis of annual performance, and the power to make regulations affecting a wide range of council activities (Bekker and Humphries, 1985 : 99; Bloch, 1982 : 51; Prinsloo, 1979 : 47 and Atkinson, 1984 : 3-4).

Community Council elections for the various townships were held between 1977 and 1980. By 1980, 224 Community Councils had been established (Bloch, 1982 : 45). The polls were generally rather low. The most celebrated failure was

Soweto (the largest urban Black township in the country), where there was a 5,6% poll and the mayor, David Thebahali, was elected in a 97-vote mandate (Bloch, 1982 : 52).

Various case studies have shown that, in practice, Community Councils did not enjoy a great deal of municipal autonomy. For example, a study of the Eastern Cape Administration Board showed that 50 out of 54 Community Councils only had limited powers to pass resolutions, with provision of services remaining the preserve of the Boards. Only four councils had more extensive powers (RSA, President's Council, 1982B : 19-34). Bekker and Humphries (1985 : 109) have shown that Boards still played an important role in decision-making and implementation of council decisions. Very few councils had qualified staff and Administration Boards ended up performing functions on their behalf. Marais (1989 : 248) points out that by 1980 only 15 of the 228 Community Councils had an approved civil establishment, i.e. a structured personnel establishment of which the majority of employees were blacks. Grest and Hughes (1983 : 124) claim that in certain cases Community Councils, despite their formal powers, were overruled by Administration Boards.

Besides the extent of ministerial control and the lack of human resources, there was another reason for the minimal transfer of powers to Community Councils. Administration Boards had to be consulted by the Minister before any functions could be delegated to councils, and accordingly had a great deal of say in this process. In many areas,

officials acted as a brake on this transfer of power, fearing they would become redundant if they divested themselves of functions (Atkinson, 1984 : 16). Despite the introduction of local self-government in urban South Africa, Blacks were still supposed to exercise their 'natural' political rights in their respective homelands.

Finally, the United Councils Association of South Africa (cited hereafter as UCASA) was formed in 1978 as a representative body for Community Councils. Its aim was to bring all Black councillors together for the purpose of considering and dealing with matters of common interest in the field of local government. However, this body had little significance prior to the 1980s. UCASA's request for recognition was turned down by DCD on the grounds that its representativeness could not be gauged (Atkinson, 1978 : 1, 7, 31-32).

5.7 THE FINANCING OF BLACK AREAS

The Native (Urban Areas) Act of 1923, as consolidated by the 1945 Act, introduced the principle of self-sufficiency for Black townships. Local authorities were required to keep special accounts called the Native (later Black) Revenue Account for Black affairs (Vosloo, 1974 : 40; Evans, 1969 : 19). The estimates of expenditure had to be passed by the local authority and approved by the Minister of Native Affairs (Evans, 1969 : 112-113).

The major sources of revenue for this Native Revenue Account from 1923 to 1971 were sorghum beer production and retailing, liquor sales in the townships, levies on White

employers of Black labour in certain areas (from 1952 onwards) and the payment by township residents to local authorities for various services rendered, mainly rentals and fees (Bekker and Humphries, 1985 : 119; Kane-Berman, 1979 : 62-65; Evans, 1969 : 112-113; Bloch and Wilkinson, 1982 : 25-26).).

Only services rendered by local authorities in Black locations could be charged to this Native Revenue Account. Repayment of housing loans, services and maintenance, welfare, recreational and other amenities were all expected to be financed from these revenue sources (Welsh, 1979 : 144).

The amount of finance these sources of revenue raised was minimal. A fundamental problem was the 'dormitory town' status of Black urban areas. Because of a lack of freehold, there could consequently be no tax on property. Further, most of the rented housing was low-income due to the fundamental problem of poverty among Black people. There were also minimal rate-generating industrial and commercial activities in Black areas. This was a deliberate policy. There were restrictions regulating the ability of Black businesses to trade in Black urban areas. The government's policy was that Black entrepreneurs with sufficient capital to establish large businesses should move to homelands⁶ (Welsh, 1971 : 195).

These limited financial sources of revenue managed to sustain urban Black townships when they were kept in a deliberate state of underdevelopment. By 1971 only 21 of

the approximately 400 White local authorities (which were mainly major metropolitan authorities) had been subsidising their Black Revenue Account directly (Welsh, 1979 : 144). However, such limited sources of revenue were insufficient when the government decided to develop townships in the highly inflationary times of the late 1970s. (The reasons for this change of policy are discussed in 6.2 Total Strategy.)

The Administration Boards were also required to be self-financing. They inherited the existing sources of revenue from white local authorities' Black Revenue Accounts along with any surplus or deficit that may have existed for the account (Bekker and Humphries, 1985 : 130). However, although self-financing, they did not have the powers to set their own levels of taxation. The Minister of DCD, upon receipt of a report from the relevant Administration Board, had the power to raise rental and service charges (RSA, Riekert, 1979 : 72). The rent portion includes site and house rent for state housing, while service charges include the cost of township development and the provision of services. (Chaskalson et al., 1987 : 53) state that rental and service charges are in practice indistinguishable to township residents as they are billed and paid together.) Community Councils, once established, were financed through the Administration Boards from the same revenue base (Bloch, 1982 : 49). However, provision was made for Community Councils to be delegated the power to

draw up their own budgets and establish their own treasury (Bloch, 1982 : 55).

The Administration Boards inherited healthy surpluses from most White local authorities. By the end of the 1970s these inherited surpluses of Administration Boards had turned into considerable deficits. The estimated aggregate surplus of the Boards was R482 841 in 1973/74, as opposed to the R7 889 079 aggregate deficit in 1980/81 (Bekker and Humphries, 1985 : 132). What were the reasons for this?

Firstly, there was a decline in the consumption of sorghum beer from R90M in 1979 to R70M in 1981. The significance of this decline must be seen in the light that approximately 50 percent of total revenue was raised from this source. The second and major reason for this decline was that the income accrued from township housing and the provision of services did not match rapid increases in expenditures in the 1970s. These increases in expenditure were due to increased inflation, increased capital expenditure in Black areas after the 1976 uprising and the fact that Black townships were no longer subsidised by White municipalities directly or indirectly (e.g. not debiting Black Revenue Accounts with the full costs of providing services) (Bekker and Humphries, 1985 : 133-146).

Administration Boards attempted to raise rental and service charges to meet these increased deficits, but were hindered by Community Councils (who had to be consulted before these charges could be increased). After the 1976 uprising, Councils were reluctant to agree to service charge

increases, fearing it could lead to further unrest (Bekker and Humphries, 1985 : 147). Certain increases were bulldozed through by Administration Boards, but they were not sufficient to arrest these increasing deficits (Bloch, 1982 : 59-60).

5.8 CONCLUSION

During the apartheid era Blacks were steadily deprived of such citizenship rights as they had once possessed. Measures were introduced to restrict their entry into White areas. They were accordingly not granted meaningful representation at any level of government. Black Advisory Boards and UBCs were both advisory forms of local government. They were also both powerless and rejected by those they were intended to serve.

The most advanced form of local government was the Community Council system which theoretically made provision for a certain amount of devolution.⁷ However, in practice, they did not have remotely the same degree of municipal autonomy as their White counterparts and nor could they hope to attain a comparable finance base. White local authorities were responsible for the administration of urban Black areas. Although they initially had a certain amount of discretion to determine policy in this regard, these powers were gradually whittled away down the years by the central government.

Administration Boards assumed control of Black townships in 1971. These structures were under much closer central control than White local authorities had been. They

were introduced because of the viewpoint within the government that some White local authorities had been less than enthusiastic in enforcing government policy in respect of urban Blacks and therefore more pliant structures were needed in their stead.

Black local structures have never had sufficient sources of revenue to balance their budgets. At the end of the 1970s, Administration Boards, which were responsible for the running of Black townships, were beginning to run up considerable deficits.

SECTION 3

CHAPTER VI

THE POLICY PROCESS OF LOCAL GOVERNMENT RESTRUCTURING
IN THE 1980S

6.1 INTRODUCTION

In this chapter the policy process of local government restructuring in the 1980s will be examined. The chapter is primarily concerned with examining how policy proposals were formulated to deal with particular problems and how specific proposals were chosen for adoption; viz. the policy formulation and adoption stages. It is not directly concerned with the content of legislation or the implementation of policy.¹ This chapter will accordingly concentrate on examining the various factors, commissions, institutions and actors which have influenced these constitutional changes. It will attempt to give a broad overview of how local government policy has changed in the 1980s, with particular emphasis on this central theme of devolution. It will also discuss the state's aims and objectives for local government and will show how these third tier bodies were intended to fit into its overall constitutional scheme for the country.

Although this thesis is primarily a study of inter-governmental relations, the focus of this chapter, being on central level constitutional changes, is slightly different. For this reason it was deemed useful to employ certain public policy concepts. In particular, attention was focused on theoretical models of policy-making. It is contended that certain aspects of the elite model can help illuminate this local government policy in the 1980s.

Classical elitists such as Mosca and Pareto argued that in all societies there is always a class that rules and a class that is ruled. They argued that government by a small elite over the rest of society is inevitable. Most modern elitists would, however, argue that elite rule is due to political and/or economic power (Dunleavy and O'Leary, 1987 : 136-139).

A seminal work on elitism was that of Wright Mills (1956) who, drawing on Mosca and Pareto, argued that the American political system in the 1950s was dominated by a power elite occupying key positions in business, corporations and in the military. The overlap and connection between the leaders of these institutions helped create a relatively coherent power elite. There was a whole spate of studies of local politics in the USA in the 1950s which concluded that policy was made in an elitist fashion. All these studies took issue with pluralist theories of decision-making which argue that power in Western industrialised societies is widely distributed among various interest groups (Ham and Hill, 1984 : 29-32).

Elitists would argue that:

- (1) Public policy consists of the preferences and values of a governing elite. The elites shape mass opinion on policy questions more than masses shape the opinion of elites. Policy therefore does not arise from mass demands (this type of argument is also present in Schumpeter's classical 1944 work on democracy).

- (2) Elites share a fundamental consensus in the values and preservation of the social system.
- (3) Because of this general status quo orientation of elites, changes in public policy will be incremental rather than revolutionary. (Dye, 1975 : 24-26).

A modern-day variant of the elite theory is Nordlinger's autonomous state model. He argues that the 'society centred' viewpoint of most contemporary political theories, namely that social forces of different kinds can always control the state in a democracy, is flawed.

The preferences of the state are at least as important as those of civil society when it comes to policy. There are three possible forms of state autonomy:

- The weakest form occurs when state officials act on their own preferences in situations where society's preferences do not diverge from theirs.
- The medium form of state autonomy occurs when state actors take effective action to alter society's preferences to persuade a majority of social groups to want what governing elites want before they commit policy in line with the latter's preferences.
- The strongest form of state autonomy occurs when state officials act on their own preferences in contexts where governing elites' favoured options clearly diverge from society's preferences (Nordlinger, 1981).

It will be argued that in the case of South African local government reform in the 1980s, the medium form of state autonomy is the model which is perhaps of the most

relevance. Much of this policy was formulated in a top-down, secretive, manner by a small influential group of civilian reformers.² Only when policy was at a relatively advanced stage were there attempts to sell it to various groups.³ There were two reasons for this. Firstly, these reformers realised that the present system was untenable and that there had to be both political and economic reform to ensure greater stability in the country. However, such reformers intended retaining careful control of the reform process. The principle of power-sharing without losing control was to apply at all levels of government. Commitment to reform was never intended to lead to NP abdication of power in favour of so-called revolutionary Black organisations. This consideration led to the decision to formulate policy in such an elitist fashion.

Secondly, these reformers also realised that there would be strong conservative opposition in the NP, public service and among the White voting public to such reform. The way to neutralise such opposition would also be through secretive, top-down policy-making.⁴

When evaluating the main features of new local government legislation (see 7.22 Evaluation of State Strategy), it will be shown that there was a contradiction between the decision to formulate policy in an elitist fashion on the one hand, and a commitment to devolution of power on the other. The determination of reformers to retain control of the reform process had as a corollary a reluctance to devolve extensive powers down to local

authorities because of the fear that such bodies could be captured by groups hostile to the central state.

6.2 TOTAL STRATEGY

The notion of 'Total Strategy' was undoubtedly one of the most important factors which influenced the environment in which policy-making generally occurred in the late 1970s and early 1980s.

'Total Strategy' was drawn up by the Department of Defence in 1977 when P.W. Botha was its Minister, but it was only when he became Prime Minister in 1978 that it was adopted in earnest. The motivation was basically strategic; the decolonization of Mozambique and Angola, the 1976 urban riots in both Black and Coloured areas, the development of an increasingly aggressive Black trade union movement, and unprecedented international hostility to Pretoria's policies, with the threat of sanctions, boycotts and disinvestment, led to Pretoria's becoming increasingly threatened, and were the main factors which gave rise to 'Total Strategy' (RSA, Department of Defence, 1977 : 7-8; Saul and Gelb, 1981; Giliomee, 1982 and O'Meara, 1982).

'Total Strategy' was described as:

the comprehensive plan to utilise all the means available to a state according to an integrated pattern in order to achieve the national aims within the framework of the specific policies. A total national strategy is therefore not confined to a particular sphere, but is applicable at all levels and to all functions of the state structure (RSA, Department of Defence, 1977 : 5).

The Defence White Paper added further that this 'Total Strategy' was not only the responsibility of government departments, but also that of the entire population, nation and every population group (RSA, Department of Defence, 1977 : 4-5).

This need to counter the preceived communist-inspired 'Total Onslaught' through a 'Total Strategy' became a central ideological and political theme of P.W. Botha's administration (Schrire, 1988A : 13). Indeed, it was a major feature of Botha's world view (Geldenhuys and Kotze, 1985 : 39).

Its aim was to manage the four power bases of South Africa - viz. the basis of politics/diplomacy, security, economics, society/psychology - in an integrated fashion, a brief that was wide-ranging, encompassing military and civil administration (RSA, Department of Defence, 1977 : 5). However, 'Total Strategy' was never a detailed blueprint determining all aspects of civil society. It was not 'total' in the sense of being a rational comprehensive plan. Rather, it was a broad ideological framework within which reformist policies (which were sometimes contradictory) were drawn up by different government departments on a number of fronts in response to the increased threat to which the state was being subjected. It was also generally taken more seriously by the 'Law and Order' departments than their civilian counterparts.

'Total Strategy' was, however, centralist in tone. As Seegers (1988A : 26) puts it: "The language of Total

Onslaught is the language of centralisation." As will be shown, the garnering of all available state resources to counter this 'Total Onslaught' was to make for a high degree of centralisation and was not conducive to devolution of power (Bekker and Jeffery, 1989 : 13).

The broad thrust of 'Total Strategy' was the creation of a multi-racial alliance of forces wedded to the values of private enterprise. Its intention was to wean a certain segment of the disenfranchised away from Marxist doctrines by giving them a stake in the system worth defending (Moss, 1980; NUSAS, 1982; Pottinger, 1988 : 75).

'Total Strategy' had both domestic and foreign⁵ policy implications (Geldenhuys 1984 : 37-38). The main domestic spheres of concern were industrial relations,⁶ Black urbanisation (including the introduction of BLAs⁷), the internal reorganisation of Pretoria's public service, and a new constitutional deal for Coloureds and Indians at both central and local level.

Rationalisation of state departments was intended, firstly, to reduce the costs of running the public sector. The number of state departments was reduced from 39 to 22.⁸ The second aim of rationalisation was, as pointed out, to coordinate all government departments to counter the 'Total Onslaught' against the country (Marais, 1989 : 22). The laissez-faire attitude of John Vorster, Prime Minister from 1966 until 1978, to the activities of the public service had led to duplication, lack of coordination and bureaucratic rivalry (Grundy, 1988 : 35; Geldenhuys, 1984 : 74;

Schrire, 1988B : 28; O'Meara, 1982 : 11; Pottinger, 1988 : 35-40). This state of affairs was hardly conducive to a unified strategy and accordingly the machinery of government was completely restructured by P.W. Botha.

An Office of the Prime Minister (later the State President) and a Cabinet Secretariat were established. There was the creation of five Cabinet Committees in the Prime Minister's Office, consisting of certain cabinet members, businessmen and key members of the security forces, to coordinate policy formation and adoption. These five committees were those of Economic Affairs, Internal (later Constitutional) Affairs, Social Affairs, Finance and the State Security Council (cited hereafter as SSC) (Schrire, 1988B : 29; Grundy, 1988 : 35) (also see 6.12 The NSMS). This coordination of the bureaucracy almost inevitably led to greater centralisation of policy-making (Schrire, 1988A : 27; Grundy, 1988 : 39).

The other aim of rationalisation was to neutralise Verwoerdian elements in the bureaucracy which opposed the government's reformist policies. This became imperative when conservative elements in the DCD sabotaged government attempts to reform the pass laws (see 8.2 Riekert Commission). The NP created 18 new posts of Director-General with an elevated status and higher salary than existing heads of departments, with the intention of bypassing Verwoerdian diehards in top public service posts⁹. (The Argus, 22/2/1980).

Probably the major showpiece of this 'Total Strategy' era was the Republic of South Africa Constitution Act of 1983 which replaced the Westminster system with the Tricameral parliament. It was premised on the need to incorporate significant elements of the Coloured population (and to a lesser extent the Indians) into the ruling fortress and, in so doing, wean them away from future alliances with Blacks.¹⁰ The aim was to strengthen the powers of the White minority government by drawing in Coloureds and, to a lesser extent, Indians to serve as buffers between the Whites and the Blacks¹¹ (Giliomee, 1984 : 11-12, 16; Pottinger, 1988 : 49).

The new constitution made provision for limited power-sharing for Coloureds and Indians. Blacks were excluded from the new constitution. Attempts were made to appease urban Blacks by giving Black local authorities more extensive powers (see 8.3 BLA Act of 1982). Separate parliamentary chambers were created for Whites, Coloureds and Indians, viz. the Houses of Assembly, Representatives and Delegates, respectively. White, Coloured and Indian chambers were to decide exclusively on 'own affairs' and all three chambers would decide jointly on 'general affairs'. The voting representation of the three houses was such that the dominant party in the White chamber retains overall control of 'general affairs', which included all the strategic functions such as macro-economic policy, defence, justice, labour and foreign affairs. If one of the chambers rejects a general bill the State President has the power to

refer it to the NP-dominated President's Council which can decide whether or not the measure should be enacted¹² (RSA, Republic of South Africa Constitution Act, No. 110 of 1983).

The racial chambers had carte blanche to decide on all functions designated 'own affairs',¹³ subject to the existence of any general policy or general law. Functions such as housing, education, culture, health and local government were deemed 'own affairs'. In each chamber a Minister's Council was created, consisting of the Ministers of the respective 'own affairs' portfolios. However, these functions were not entrenched by constitution. The State President, subject to the guidelines of 14(1) and 14(2) of the Constitution,¹⁴ had power to change the status of an 'own affair' function to a 'general affair' one (RSA, Republic of South Africa Constitution Act No. 110 of 1983).

The Republic of South Africa Constitution Act affected local government in that this field technically became the responsibility of central government. In each chamber a Department of Local Government was created for the constitutional control of these ethnic local authorities¹⁵ (see Annexure A for a diagram of the new constitutional system at central, provincial and local levels).

Theoretically this meant that independent Coloured and Indian local authorities should be created throughout the country. There was, however, a caveat. One of the guidelines that underpinned the Constitution Act of 1983 was that "separate local authorities be constituted for the various population groups wherever possible, but subject to

the requirement that effective financial arrangements should be made to ensure the viability of these authorities" (RSA, Constitutional Guidelines, 1982 : 9). This was to ensure that unviable Coloured and Indian areas did not become independent local authorities. Furthermore, as will be shown (in 7.19 Own Affairs Administrations), only the White Department of Local Government assumed these supervisory powers. The Coloured and Indian houses did not want such powers.

One of the fundamental features of the constitution was the large amount of executive power vested in the State President. Besides the powers already mentioned, he also had, inter alia, exclusive prerogative to refer deadlocked bills to the President's Council, power to appoint and dismiss cabinet members, their deputies and President's Council members, the power to assent to bills and the power to dissolve all three houses. He was also chairman of the cabinet (RSA, Republic of South Africa Constitution Act, No. 110 of 1983). In addition to his executive powers, the State President also had a number of powers over the functioning of the legislature. As party leader he retained overall control over the activities of the NP, the dominant party in the most powerful chamber of parliament. His power was subject to very few legislative checks and balances.

The granting of vast executive powers to the State President merely continued the trend towards centralisation of policy-making. What was fundamental to this constitutional system was that attempts made to extend the power

base of the Whites were designed in such a way that the hegemony of the ruling NP was not threatened. Moreover, the constitution, by making provision for ethnic chambers based on separate voters' rolls, was in fact a form of neo-apartheid. The Population Registration Act and the Group Areas Act were indispensable conditions for the operation of the system. In many ways, this new constitution was the 'institutionalisation' of apartheid. The August 1984 elections for Coloured and Indian houses were characterised by low polls, indicating a low level of legitimacy for those parties which chose to participate. However, this did not deter the government, and the new constitution came into effect in September 1984. It was going to have a significant effect upon the operation of local government.

6.3 DEPARTMENT OF FINANCE

The role of the Department of Finance has been somewhat underplayed in the literature dealing with local government reform. It is contended that the Department in fact played a major role in the formulation of new local government policy. One of the reasons for this was that the Department was already beginning to look at the field of inter-governmental fiscal relations in the late 1970s. A special Constellation Committee was set up to look at the financial implications of P.W. Botha's 'Constellation of States' concept and this included two men, Dr Jan Lombard and Gerhard Croeser, who were to play influential roles in the formation of new local government policy (Interview with senior Finance official, 1989). This gave the Department a

headstart when the government began examining constitutional options for local government in the 1980s.

The writings of Lombard were influential in the late 1970s. He was not formally attached to the Department, being a professor in Economics at Pretoria University. However, he had often been employed as a policy consultant by the government. He was one-time Economic Adviser to the Prime Minister and had also been a member of a number of government committees on Finance. His writings were to influence the Department of Finance's thinking significantly.

He argued that a distinction needed to be drawn between welfare and order functions. Welfare functions needed to be decentralised while other functions needed to be centralised. Welfare functions were the processes of income production and distribution. They included functions such as Education, Health and Social Welfare. Order functions of the state over the economy included fields such as Defence, Law and Order, and Justice. This decentralisation was necessary in order to enhance democracy and to protect minorities in South Africa (Lombard, 1978 : 132-142; 1979 : 51).

Underpinning this strategy was the need to depoliticise the central state. The argument was that, because of its racist nature, the central state had been involved in too many facets of the creation and distribution of wealth, employment and welfare. Overt state intervention had politicised a number of areas of life, including the urban

environment. The central state was accordingly blamed for all wrongs in society and it needed to be extricated from this site of conflict. The way to achieve this was through depoliticisation of the central state's role in society. At a political level it would entail devolution of powers to local authorities and at an economic level it would involve privatisation (Lombard and Du Pisani, 1985; Glaser, 1984).

This distinction between welfare and order functions was not adopted strictly by the government. The 1983 constitution, which divided functions between the various ethnic chambers on the basis of the 'general'/'own' affairs distinction, effectively pre-empted the strict application of this welfare/order dichotomy. Nevertheless, the need to decentralise, although not exactly along the lines suggested by Lombard, became an important component of the new local government system. In particular, the need to depoliticise the central state through devolution of powers became a constant policy line of the Department (and eventually the government) in the 1980s. The most forceful exponent of this position within the Department was Croeser, then Deputy Director-General of Finance.¹⁶

As will be shown (in 7.20 Department of Finance Macro-Control), there were, however, contradictions in the Department's attitude to devolution. Although the Department was committed to the devolution of functions to local government level, it was still determined, for macro-economic reasons, to maintain tight control over the financial operations of local authorities.

6.3.1. Browne Committee

The Department of Finance only really became influential on local government policy after the release of the Browne Committee's Report. The Borckenhagen Commission (1960 : 30, 38, 40, 42-43) had already rejected local authorities' claims for additional sources of revenue in 1971. However, by the late 1970s, caught between the inelasticity of property rates as a source of revenue and increasing demand for goods and services, local authorities were once again clamouring for extra sources of revenue.

As a result the Browne Committee was appointed by the government. Its mandate was, inter alia, to investigate the adequacy of existing sources of local government revenue, with special emphasis on the problem of financing Coloured and Indian areas. It recommended, firstly, that local authorities' requests for additional revenue be rejected. Secondly, local authorities' request that the state pay rates on state property was rejected, as was their plea for exemption from GST and Customs and Excise duties. The Committee suggested that if local authorities operated on more efficient lines, they would not have these financial problems (RSA, Browne Committee, 1980 : 90-92). Thirdly, it found that R148,3 million would be needed to establish viable Coloured and Indian local authorities. To expedite this process with a view to creating separate racial local governments, the Browne Committee recommended that a system of transfer payments from White to Coloured and Indian local authorities be introduced. It also recommended the introduction of a Joint Services Commission¹⁷ as a means of

solving the financial and manpower problems of creating separate racial local authorities. This would be integrated with the system of transfer payments (RSA, Browne Committee, 1980 : 64, 83-84).

There was a massive backlash from White local authorities who, through their representative association, the United Municipal Executive (cited hereafter as UME), rejected the viewpoint that local authorities were awash with funds that could be used to subsidise Coloured and Indian local authorities. Many local authorities were struggling to balance their budgets and it was felt that the implementation of Browne's recommendations could lead to the bankruptcy of some existing local authorities. The UME in fact lodged objections against the findings of this Committee (Hattingh, 1986 : 18).

6.3.2. Croeser Working Group

The vitriolic reaction of the UME, who in the past had accepted unsympathetic government commissions with a measure of resignation, clearly worried the government. This led to the Minister of Finance appointing a working group under the chairmanship of Croeser to assess all the recommendations of the Browne Committee.

The Croeser Working Group (cited hereafter as CWG) must be considered the most influential Department of Finance input into local government policy. It had a decisive impact on state strategy. It consisted of members of the Department of Finance, representatives from the provincial administrations and a UME nominee. Its brief was, inter

alia, to evaluate each of Browne's recommendations in the light of the government's guidelines on the rationalisation of the public sector as well as changes in the constitutional framework (RSA, Croeser, 1982 : 3). However, the reform-orientated technocrats within the Department took advantage of this 'window of opportunity' and interpreted its brief more broadly by examining the whole gamut of intergovernmental relations (Interview with senior Finance official, 1989).

Although the cabinet accepted most (about 95%) of the recommendations of the CWG in 1981, its report was only made available to the public in 1983. Amongst the more significant deviations from the Browne Committee's Report that the government accepted were:

- i) The rejection of the idea of transfer payments (described as "politically untenable"). It proposed a three component revenue source in lieu of this, based on turnover, salaries/wages and investments. These taxes were to be levied on the business sector. This introduced the important principle of fiscal federalism; viz. to decentralise taxing power down to the lowest possible level of government. This was a corollary of the Department's commitment to depoliticisation and devolution, which was intended to remove the central state from the site of conflict over resources. With decision-making responsibility came the power to tax.

- ii) There was acceptance of mutual tax liability between different tiers of government. The government subsequently agreed to pay full taxes (less 20% rebate) to local authorities. In return, local authorities had to pay GST.
- iii) Finally, its recommendation that the UME be recognised as the central local authority association of White local authorities was accepted. (RSA, Croeser, 1982 : 7, 94-99, 343-345; Cape Times, 19/5/1981).

The CWG concurred with the Browne Committee's recommendations that bulk services should be provided on a regional basis (RSA, Croeser, 1982 : 99-100). It recommended further that there should be overall financial control over both the capital and operating expenditure of local authorities in the interests of macro-economic objectives (RSA, Croeser, 1982 : 99-100).

Finally, Croeser's recommendations suggested that the CWG be upgraded into a standing liaison committee to discuss matters of local government finance with the central government and the provinces. This was accepted and the CWG was upgraded into the Permanent Finance Liaison Committee (cited hereafter as PFLC). Its main function was to investigate and make recommendations to the government on matters with financial and allied implications for all tiers of government (RSA, Croeser, 1982 : 100-103). However, the PFLC was only a small caretaker body. The major groundwork into intergovernmental financial relations had been done by

its predecessor (Interview with senior Finance official, 1989).

The President's Council report on local and regional government was heavily influenced by the submission of Croeser in his official capacity. Research undertaken by the CWG formed the basis of his submission. Many of the key principles that had been expounded by the CWG were embodied in the President's Council's report. This will be taken up in the next section.

6.4 THE PRESIDENT'S COUNCIL'S REPORT ON LOCAL GOVERNMENT

The Report into local and regional management systems was a Joint Report of the Committee for Economic Affairs and the Constitutional Committee of the President's Council. Its brief was to look at local government policy options for Whites, Coloureds and Indians (RSA, President's Council, 1982A : 4-9).

The Report accepted the principles of maximum devolution of authority and decentralisation of administration and recommended that provision be made for autonomy and necessary legislative capacity at local government level (RSA, President's Council, 1982A : 49, 51, 105). It did not suggest what types of powers should be devolved. This proposal must be seen in conjunction with the recommendation that local government functions be split into 'hard' and 'soft' functions. The former were functions that were usually provided on a regional basis, such as bulk water, bulk electricity and town planning. These were matters of common concern to all race groups. Racially-based local

authorities would retain control over what were termed 'soft' functions; viz. culturally sensitive functions such as swimming pools, parks, houses and beaches. These would be functions where local authorities would have 'the local option' to integrate or segregate (RSA, President's Council, 1982A : 42-43). Devolution, in this sense, is a combination of racial and geographic division of powers. It is a means whereby racial groups could have self-determination over culturally sensitive functions.

Here lies one of the major contradictions of 'Total Strategy'. As erstwhile PFP leader F. van Zyl Slabbert noted at the time of the release of the report:

Whereas the recommendations for central government concentrate on the increased centralisation of power, recommendations for local and metropolitan government on the other hand focus on the increasing decentralisation of power. How these two tendencies are going to be resolved in a final constitutional package is not clear (The Argus, 13/5/1982).

As has been argued (in 6.2 Total Strategy), and as will be shown in the next chapter, this contradiction resolved itself in favour of centralised government at both central and local level.

The Committee also accepted that there was a need for a metropolitan body of some form to solve the uncoordinated planning caused by fragmentation on racial lines. This fragmentation had led to the unnecessary duplication of functions, infrastructural services and manpower. Such a

body would also facilitate multi-racial decision-making (RSA, President's Council, 1982A : 59-60).

There were also certain recommendations that went beyond the bounds of government policy. It suggested that ethnicity should not be enforced at local government level. It also reasoned that under certain circumstances, there should be racially separate wards, particularly when it would not be cost-effective to establish a separate local authority of small pockets of Coloureds/Indians in White municipal areas (RSA, President's Council, 1982A : 49, 59, 102-103, 106-109).

The President's Council's financial proposals were largely influenced by the CWG's report. It acknowledged the limited potential for extending the tax base of existing local governments and recommended the introduction of a neutral fund which could be used to fund the system of metropolitan bodies. This income should be allocated in a way that redressed the existing maladministration of rates income whereby most commercial and industrial areas were located in the jurisdictions of white local authorities. It recommended that the levels of taxation and nature of redistribution should be decided at local level and suggested that the achievement of greater parity of services would facilitate the depoliticisation of local authority functions (RSA, President's Council, 1982A : 96-99, 115-116).

These proposals must have been seen by Croeser as a personal triumph. Important principles that his Department

had been forwarding, such as the acceptance of the devolution of power, the need to promote depoliticisation, the need for metropolitan structures and the acceptance of new local taxes, were adopted by the Report.

Finally, although the President's Council rejected the Browne Committee's recommendation of transfer payments, its proposal of neutral income would in effect amount to the same thing; viz. redistribution of income from White to Coloured/Indian areas. As a result of the NP's acceptance of proposals for power-sharing at all levels of government, 17 of its MPs left the party in February 1982 and formed the Conservative Party (cited hereafter as CP) in March 1982 (South African Institute of Race Relations [cited hereafter as SAIRR], 1982 : 8). Although the President's Council's proposals were probably finalised before this break-away, it is certain that the right-wing elements were entrenched in a number of local authorities, in particular in the country's most populous province, the Transvaal. Direct subsidisation as proposed by Browne would have led to much resistance amongst right-wing supporters of the NP. Indirect subsidisation was an attempt by government reformers to minimise right-wing resistance by redistributing wealth in a far less visible way.

6.5 GOVERNMENT REACTION TO THE PRESIDENT'S COUNCIL'S REPORT

The NP called a Federal Congress in July 1982 to announce its new constitutional plans for Coloureds and Indians. At this congress the government announced its guidelines and principles for local government:

- i) It accepted the principle of maximum devolution of power and decentralisation of administration at local government level and of minimum administrative control over local authorities.
- ii) It proposed that separate local authorities be constituted for the various population groups where possible, but subject to the requirement that effective financial arrangements should be made to ensure the viability of such authorities.
- iii) Services would probably have to be provided jointly on a metropolitan or regional basis. However, before metropolitan structures were introduced, further technical investigations would have to be undertaken.
- iv) A recommendation that local authorities give certain attention to improving relations with Coloured and Indian Management Committees was accepted and various interim proposals were receiving consideration.
- v) The government accepted that there was a need for effective coordination of the development of local government at central government level. This function should be the responsibility of the DCDP. (RSA, Constitutional Guidelines, 1982 : 8-11).

However, the government veered away from some of the President's Council's more liberal recommendations, such as that ethnicity should not be enforced, and that mixed racial local authorities should be permitted. Its broad principles for constitutional development at both central and local level were self-determination for each group over its own

affairs and co-responsibility for matters of common interest, with no one population group dominating another.

Why did the government not support these more flexible proposals? The most powerful of the provincial municipal associations, the Transvaal Municipal Administration (cited hereafter as TMA), came out in unequivocal rejection of the report. The TMA was still largely embedded in Verwoerdian ideals of strict segregation and were against even limited integration. They rejected the concepts of both neutral income and metropolitanisation, calling the proposed system a socialist "integrationist" approach (Rand Daily Mail, 13/10/1982).

Although the government did not agree to all the TMA's demands, it did reject these liberal proposals of the President's Council. As already pointed out, a section of the NP's right wing had broken away to form the CP as a result of the government's acceptance of the President's Council's proposal for limited power sharing. The government, at this stage, was highly sensitive to right-wing criticism, fearing that too bold initiatives would lead to further erosion of its support.

6.6 THE RISE AND TIMES OF THE DEPARTMENT OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

While many of the principles underpinning local government reform were established by the Department of Finance, it was the DCDP which embodied these principles through the formulation of new local government legislation. It was also to give local government legislation, in particular

RSCs, a much more explicit political orientation than the Department of Finance had initially envisaged (Humphries, 1988A : 110-111). It generally became known as the Department at the cutting edge of reform.

The DCDP had its origins in P.W. Botha's rationalisation policy of 1979. The five planning branches, viz. economic, physical, social, constitutional, and scientific planning, were established in the Office of the Prime Minister in 1980. The DCDP came into being in August 1982 when all the planning divisions of the Prime Minister's Office were transferred to it (F. Cloete, 1988B : 22-23). Senior Cabinet member Chris Heunis became the Minister in charge of the Department.

There were two Chief Directorates in the Constitutional Development branch of the Department, which dealt with local government. One Chief Directorate was that of Constitutional Planning; within it were two Directorates - Directorate: Central Government Planning, and Directorate: Subsystem Planning, local government issues being dealt with in the latter structure. The aim of this Chief Directorate was to develop constitutional models.

The second Chief Directorate was that of Constitutional Promotion. This in turn was divided into two Directorates: Regional and Local Government Promotion, and Self-Governing Territories. This Chief Directorate's aim was to promote the reform process through liaison with other government departments and the provinces. It was more of a 'nuts and bolts' section, in that it was concerned with the imple-

mentation of new constitutional initiatives (RSA, DCDP, 1987).

Fanie Cloete (1988B) outlines four distinct phases in the evolution of the Department. The first phase (1980-82) was that of macro-planning branches without executive powers in the office of the Prime Minister. Phase two (from the DCDP's inception in 1982 until 1985) was the coordinated macro-planning of reform at all levels of society. In this stage local government developments in which the Directorate: Constitutional Planning was involved included the drawing up of an urbanisation strategy, the restructuring of government functions under the guidance of the Commission for Administration (the central personnel institution of the public service), the drawing up of the Regional Services Council Act of 1985 (which was the lynchpin of local government reform), and the restructuring of certain aspects of local government for the purposes of Coordinating Council investigations (see 6.7 Coordinating Council for Local Government Affairs) (F. Cloete, 1988B : 24).

The Directorate: Constitutional Promotion was involved in the formulation and execution of the Promotion of Local Government Affairs Act of 1983 (which established the Coordinating Council); it provided the secretariat and was involved in the investigation of the Coordinating Council's six committees into various aspects of local government. It provided the secretariat of the Training Board and was involved in the formulation and execution of the

Remuneration of Town Clerks and Training Acts (F. Cloete, 1988B : 25).

The third phase, 1985-86, saw the Department acquiring executive functions. This involved acquiring responsibility for Group Areas legislation and regulations from the Department of Communications and Public Works. Furthermore, all aspects of the Black communities outside the self-governing states, mostly falling under the control of the DCD, were transferred to the DCDP. To dismember the once omnipotent DCD and to acquire control of urban Black affairs was undoubtedly a major coup for the department (also see 8.7 The 1984-1986 Urban Uprising Against BLAs).

At this stage the influence of the Department was probably at its zenith. In the 1985-86 budget it was allocated funds of almost R5,5 billion (an amount exceeded, marginally, only by the Department of Finance) (Cape Times 19/3/1985). The DCDP had at that time no less than 27 directorates under its control. It had responsibility for, inter alia, constitutional planning, Primary Local Authorities (cited hereafter as PLAs) of all race groups (i.e. existing racially-based local authorities), RSCs, Development Boards, urbanisation and squatter control, provincial government, constitutional development of the national states, Regional Development Advisory Committees (cited hereafter as RDACs)¹⁸ and Group Areas (The Argus, 13/5/1986). This massive concentration of power in the Department gave it great leverage in the reform process.

Before we look at the decline of the DCDP in the fourth phase, it is necessary to look at the nature of the policy process. Three issues need to be examined in this regard:

- i) the bureaucratic culture of the Department;
- ii) both P.W. Botha's personality and the structural influence of the Office of the State President (cited hereafter as OSP);
- iii) the personal characteristics of Minister Heunis.

An examination of these factors will explain why in fact the DCDP became the most influential government Department within the state, and how its influence was based on rather precarious conditions which in turn led to its demise.

6.6.1. The Bureaucratic Culture of the Department of Constitutional Development and Planning

One of the problems the government faced when it embarked on reform was that it was saddled with a public service still very much wedded to Verwoerdian ideals. Because the NP had been in power so long, a number of bureaucrats no longer saw themselves as politically neutral civil servants; rather they began to adopt the government's way of thinking. This no doubt served the NP at one stage, but it was perceived to be a problem when the government embarked on reform. It was decided to politicise the top level of the bureaucracy and in so doing to bypass conservative elements within it.¹⁹ This politicisation was achieved, inter alia, through contract appointments of up to five years and the large-scale appointment of staff outside the public service. This

allowed Ministers to bring in their 'own men' (Marais, 1988 : 295 - 297; Marais, 1989).

The DCDP was the most striking example of this new strategy. Most of the Department's senior staff (viz. 'the movers and the shakers') were recruited from outside the public service, and its recruitment policy was specifically reform-orientated (Interview with senior DCDP official, 1989). Minister Heunis (1988 : 100) quite candidly said, "In this department there is no place for officials who are not reform-orientated".

Reform-orientated professionals and technocrats were brought into the public service from the universities and the private sector and were utilised in separate full-time planning units not involved in routine administration. This gave the DCDP enormous power. No line department could match its well-researched, technically sound policy. This 'think tank' resource base underpinned Heunis's power. Comprehensive research into various policy options was undertaken (Swilling and Phillips, 1989 : 29-30; interview with ex-DCDP official, 1991).

6.6.2. The State President: Personal and Structural Power

It has already been pointed out that part of the rationalisation process involved the creation of the Office of the Prime Minister (from 1985 the OSP). Previously the Prime Minister had functioned within the government as an individual. He lacked a department and personal advisors. He did not play a major role in coordinating policies or ensuring that policies were implemented. The creation of

the OSP changed all that: it institutionalised and extended his power (Schrire, 1988B : 29-30).

The OSP consisted of a number of committees, advisors, secretariats and Ministers dealing with public administration, public expenditure priorities, constitutional affairs, economic policy, socio-economic development and national security (Swilling and Phillips, 1989 : 10).

It is fair to say that this structural power gave the OSP bureaucrats who formulated policy and controlled the flow of information to the State President a certain amount of influence over state policy. However, the argument that "the OSP is the nerve centre that presides over a tightly centralised state form" (Swilling and Phillips, 1989 : 2) is based on rather loose theoretical premises, seeming to suggest that if one understands the structure, functioning and objectives of the OSP, then policy flows in accordance with a deductive logic. The major problem with this is that the causal relationships between the various components are not adequately spelled out.

This thesis contends that the key to understanding state policy in the 1980s lay in the personality of State President P.W. Botha. While his personal power and the structural power of the OSP complemented each other to a certain extent, in the final analysis it was the personal characteristics of P.W. Botha that were the most important factor. The rationalisation process and the tricameral system placed enormous power in the hands of the State President. It meant that the nature of the personality of

the incumbent was of crucial importance in explaining how policy was made. More specifically, it is argued that the idiosyncracies of P.W. Botha were perhaps the most important variable which influenced the direction of local government reform.

State President Botha had an authoritarian personality, and this influenced the reform process significantly. No-one in the cabinet had the courage to challenge him on a major policy issue once he had reached a decision,²⁰ lest they fall foul of his notoriously explosive temper or, worse still, end up in political oblivion. (P.W. Botha had in fact ruined the political careers of certain of his colleagues who had dared to cross him.) The route to power, therefore, lay in getting his backing for policy proposals. This process will be discussed in the next section (Swilling and Phillips, 1989 : 30; interviews with senior DCDP official, 1989 and with ex-senior DCDP official, 1991; Geldenhuys and Kotze, 1985; Pottinger, 1988 : 352-367).

6.6.3. Minister Heunis's personality

Minister Heunis was an important actor in the local government reform process. His influence was not only due to the resources of his Department. F. Cloete (1988 : 26) suggests that Heunis's status and influence in cabinet, his reform strategy and energy, were all important factors. Firstly, he was a senior cabinet member, and from 1986 onwards Cape leader of the NP. This in itself gave him a certain amount of influence and relatively frequent access to P.W. Botha.

His reform strategy involved getting P.W. Botha's backing for policy proposals. This he did by taking new proposals to P.W. Botha in an informal way before formally presenting them to SSC and the cabinet. This informal access ensured that if Heunis presented proposals at cabinet level, they had been cleared with P.W. Botha, the State President's formal consent to the proposals then ensuring that their passage through cabinet was merely a formality. After cabinet approval, policy proposals were referred to the NP caucus and then (after the introduction of the tricameral system) to the Standing Committee for Constitutional Affairs where consensus between the different Houses was reached (see 6.8 RSCs, for more information about the operation of Standing Committees) (Swilling and Phillips, 1989 : 30; interview with senior DCDP official, 1989).

The crucial variable, as Swilling and Phillips (1989 : 31) correctly point out, was that "the personal relationship between Heunis and the President was the thread on which the DCDP hung the whole reformist project ... this fragile relationship acted as the conduit for reformist policy between the DCDP and P.W. Botha".

The third factor was Heunis's energy in pursuing the government's reformist goals, his being renowned as a 'workaholic'. He was known as the arch reformer of the cabinet. He was the architect of the tricameral system and is credited with having persuaded the Coloured and Indian parties to join the new constitution (Geldenhuys and Kotze,

1985 : 39). After Heunis's resignation, ex-PFP leader Colin Eglin said, "His most important contribution was not in constitution building but in trying to educate his own party from within, in moving away from the sterile policies of the past to something better" (The Argus 23/5/1989). Heunis was known to have been extremely forceful in influencing colleagues about the need for the redistribution of wealth through RSCs in order to ensure stability.

There was also a very close relationship between Heunis and senior DCDP officials. A former top official, K. Jordaan, said that within the DCDP there was "net grootste lof vir die Minister se ondubbelsinnige verbintenis tot die Regering se beleid van hervorming en sy bewese vermoë om die Regering se beleidsinligting in die praktyk deur te voer" (Rapport, 30/10/1989).

Although a man of considerable intellect, Heunis was often incomprehensible to the man in the street. He never enjoyed much public support in the stakes for P.W. Botha's successor. The incoherence and vagueness of many of his constitutional proposals were known as 'Heunis-speak',²¹ (South, 18-24/5/1989; The Argus, 13/5/1989; Sunday Star, 24/5/1989).

There were negative aspects to his personality that ultimately contributed to the downfall of both Heunis and his Department. P.W. Botha, Heunis's predecessor as Cape leader of the NP, was his political mentor. Some of P.W. Botha's less pleasant attributes had rubbed off on Minister Heunis. He tended to be authoritarian, antagonistic and

aggressive. As Schrire (1988B : 93) argues, Heunis was unpopular in the NP caucus "because he suffers fools ungraciously and tends to be vain, arrogant and rude to his colleagues." Allied to this was the fact that the securocrat faction of the NP was decidedly lukewarm about some of his reformist policies. This caused him to make a number of enemies within the cabinet. As will be shown in the next section, when Heunis lost his privileged channel of access to P.W. Botha, his unpopularity within the NP made his position precarious.

The fourth phase in the evolution of the DCDP reflects its decline. One component of this final stage involved the transfer of executive powers from the DCDP to line departments from 1986. In particular, the administration of Black affairs in urban areas was transferred to the provinces. The Department reverted to its predominant role of macro-planning and development. Its staff complement was accordingly cut from 1700 to 327. It was still in a broad sense responsible for overall policy-making and coordination in respect of functions devolved to provinces as well as for control of provinces themselves (South African Digest, 10/10/1986; F. Cloete, 1988B : 28-29).

Late 1985/early 1986 was a period when senior DCDP officials were moving beyond the parameters of 'Total Strategy' (Swilling, 1988A : 15-17). Prospects for major reform actually looked quite promising at the beginning of this period. There was talk of moving in a federalist direction, the Department appeared sympathetic to both the

KwaZulu-Natal Indaba proposals, which attempted to integrate KwaZulu with Natal, and non-racial city initiatives, and certain DCDP officials were being actively obstructionist in the extension of 'own affairs' powers, which they saw as an extension of apartheid (also see 7.19 Own Affairs Administration). It looked foreseeable that there could be some move towards integrated local authorities. Also, Heunis was reputed at this time to have been P.W. Botha's preferred successor. This state of affairs soon changed.

The most prominent feature of the final stage of the DCDP was that of the slow demise of both of both Department and Heunis from early 1986 onwards. What were the reasons for this?

Firstly, the declaration of the State of Emergency in June 1986 led to the waning of the influence of the reformists vis-a-vis the securocrats within the state. The cabinet, and P.W. Botha in particular, developed a 'laager' mentality which was not conducive to further reformist measures.

Secondly, the increasingly recalcitrant attitude adopted by the LP, the ruling party in the House of Representatives, meant that the NP could no longer have its own way in parliament. In particular, the LP used the standing committees to reject certain new bills. P.W. Botha blamed Heunis, as the father of the tricameral system, for this. Heunis had, in fact, persuaded Botha that the Coloured and Indian parties could be controlled (Interview with senior DCDP official, 1989).

Thirdly, a rift developed between Botha and the DCDP over the question of city states. This concept had been rejected by the government in the early 1980s, but P.W. Botha revived the idea in early 1986 (see 8.7 The 1984 Urban Uprising Against BLAs for more detail). On the other hand, Heunis argued that the city state option pre-empted the new policy of including Blacks into higher levels of decision-making via the negotiation process (Swilling and Phillips, 1989 : 31; F. Cloete, 1989 : 26-27; interview with senior DCDP official, 1989 and former senior DCDP official, 1991).

The 1987 general election effectively ended Heunis's political power. His majority in the Helderberg constituency was cut from 2 942 to just 39 by Dr Denis Worrall, ex-Ambassador to Britain and Independent liberal candidate. This was anomalous: in the rest of the country the NP made sweeping gains against the liberal opposition, the Progressive Federal Party (cited hereafter as PFP).

Importantly, after the election, Heunis lost his privileged channel of access to P.W. Botha. This meant that he no longer had the State President's automatic support when he presented proposals to the cabinet. Further, a number of colleagues who had been on the receiving end of Heunis's sharp tongue and were envious of the high powered resources within his Department, took advantage of these changed circumstances by publicly opposing his proposals in cabinet. This factor, as well as securocrat resistance, meant there was increased opposition to DCDP reformist measures and the influence of the Department began to

diminish (Swilling and Phillips, 1989 : 32; interviews with senior DCDP official, 1989 and former DCDP official, 1991).

The most visible manifestation of this decline of influence was the withdrawal, by the National Intelligence Service (cited hereafter as NIS), of the security clearances of two top DCDP officials, for allegedly promoting discussions with 'revolutionary' organisations. This was done without Heunis's approval. The two officials were known as reformists who were moving beyond the bounds of 'Total Strategy'. This was a clear attempt by the securocrats to neutralise Heunis (whom they regarded as too reformist in the power struggle for the State Presidency) and his Department (Rapport, 30/10/1989; The Argus 3/11/1989; Sunday Star, 6/11/1989).

This decline in influence continued through the rest of the 1980s, culminating in Minister Heunis's resignation from cabinet in 1989. After the 1989 general election, the new F.W. de Klerk administration dealt the Department its death knell by splitting it in two, with some of its functions going to the Department of Constitutional Development and others going to the Department of Planning and Provincial Affairs.

6.7 COORDINATING COUNCIL FOR LOCAL GOVERNMENT AFFAIRS

The next three sections will look in more detail at this policy process and some of the policy initiatives of the DCDP during its halcyon days, beginning with the Coordinating Council for Local Government Affairs. It will

attempt to show how policy was made in an elitist, top-down fashion.

In response to the government's acceptance of the President's Council proposal that local authorities should give attention to improving relations with Coloured and Indian Management Committees, a National Interim Liaison Committee as well as a Regional Liaison Committee for each province were established. This National Interim Liaison Committee was intended to serve as an interim body for local government until the new constitutional plans were implemented. It was established under the chairmanship of Minister Heunis and consisted of representatives of government departments, provincial administrations, local authorities, Management Committees, LACs and Administration Boards (Heunis, 1983 : 21; SAIRR, 1984 : 28).

The Promotion of Local Government Affairs Act of 1983 created the Council for the Coordination of the Affairs of Local Authorities which must be seen as the statutory formalisation of the National Interim Liaison Committee. The chairmanship of the Co-ordinating Council was vested in the Minister of DCDP. Provision was also made, inter alia, for representation by the Provincial Administrators, the MECs in charge in local government, UME, the National Ad Hoc Committee of the Association of Coloured and Indian Consultative Local Affairs and Management Committees, the Own Affairs Ministers of Local Government (from 1985), and local government professional organisations. No provision was initially made for Black representation (RSA, Promotion

of Local Government Act, No. 91 of 1983 and DCDP, 1983). However, when Blacks were brought into mainstream constitutional developments in early 1985, provision was made for UCASA representation on the Coordinating Council (RSA, DCDP, 1985).

The primary function of the council was to advise the government on the coordination of local authority functions of general interest (RSA, Coordinating Council 1986 : 1). It had no executive powers. It was not intended to replace the UME as the mouthpiece for White local authorities. Rather, it was intended to be a forum where representatives of various population groups could discuss local matters that were 'general affairs'. The racially-defined associations such as UME were to remain the bodies which would bring to the attention of the government issues of 'own affairs' nature.

At the first Coordinating Council meeting in January 1984, six committees of inquiry were appointed to report on specific local government matters. The fields that were investigated were uniform municipal franchise qualifications, the demarcation of areas of jurisdiction of local authorities, criteria for the demarcation of viable local authorities, the joint provision of services, the provision of personnel for local authorities, the control over local authority institutions, and additional sources of revenue (the last committee being in conjunction with the Department of Finance and under the chairmanship of Deputy Director-General Croeser (Makda, 1987)).

As a result of these investigations, a whole host of legislation was passed by the government in the 1984-5 period, which will be discussed in the next chapter.

Since then, the Coordinating Council has undertaken a number of investigations which have resulted in legislative changes including greater remuneration for councillors, delegation of powers to Management Committees and LACs, devolution of powers to local authorities, coordination of fire services, the future of Transvaal Peri-Urban Boards and Divisional Councils, Rural Councils, Local Councils, prior votes for municipal elections and deregulation and privatisation of local government activities in South Africa. At the end of the 1980s it was still investigating a uniform law for local government (RSA, Coordinating Council, 1986, 1987 and 1988).

All local government issues requiring legislative changes were first referred to the Coordinating Council for recommendations (Heunis, 1988 : 66). The Coordinating Council did not need to vote in the first five years of its existence, up to the end of 1988. Almost 400 resolutions had been passed on a consensual basis (Interview with Secretary: Coordinating Council, 1989). On the face of it, the Coordinating Council looked like an example of pluralist decision-making where policy outcomes were due to horse-trading and compromise among various groups.

However, a closer examination of the policy process of the council reveals a different picture. Most issues referred to it by the government were researched in detail

by the Coordinating Council's sub-committees. DCDP officials acted as technical advisers and drew up the terms of reference which the committees used as guidelines (F. Cloete, 1989 : 14). These terms of reference were NP policy; viz. self-determination for each group over its own affairs and co-responsibility for matters of common concern. Also, the expertise of the DCDP officials gave them a certain amount of influence over the direction of policy.

The Action Committee was the Executive of the Coordinating Council. It consisted of Minister Heunis, the Minister of Finance, the three Own Affairs Ministers of Local Government, one of the Provincial Administrators, one senior DCDP official, one senior Finance official and one representative from the other six local government associations represented on the wider council. It met approximately four or five times a year. It reviewed reports of the Coordinating Council and perhaps amended them. It then sent its report with recommendations to the full Coordinating Council, which met about twice a year. The full council could either

- approve the report and refer it to the cabinet for approval;
- refer it back to the relevant sub-committee; or
- reject it entirely.

Most reports were approved and referred to the cabinet for further action. Major policy changes, such as the introduction of RSCs, would have to go through the route described in the previous section. On a couple of

occasions, the report was referred back to the relevant sub-committee for further action. There was never an instance in the 1980s where a report was rejected in toto (Interview with Secretary: Coordinating Council, 1989).

At a formal level this looked like a democratic way of achieving consensus. However, an important consideration was the authoritarian chairmanship of Minister Heunis. Several interviewees pointed out that the Minister "totally dominates them" (the council) through managing "consensus" by rushing the meetings and by concluding debate prematurely (Atkinson and Heymans, 1988 : 50). There was also a feeling that the Coordinating Council's meetings had largely become a rubber stamp for decisions carried out at Action Committee level. This was partly due to the fact that the full council was too large and unwieldy to reach speedy decisions (Atkinson and Heymans, 1988 : 48).

The government's claim that all local government legislation had the support of organised local government thus seems questionable. It is true that the council was the first direct link between central and local government, that it made central government more aware of the needs and problems of local authorities and that it was a forum for co-operation between representatives of ethnically-based local authorities. However, the government has responded to these needs and problems in a way that fitted in with its own agenda, and not that of local government.

What was the reason for this? UME was dominated by the numerically superior TMA which, as already pointed out, was

a rather conservative body.²² Important reformist principles such as power-sharing, redistribution of wealth and greater status for Management Committees and LACs may have run into more serious opposition if there was too much democratic input into the council's policy process. This seems to be confirmed by one conservative interviewee who in 1989 complained that

Heunis ran roughshod over Minister Amie Venter (the White Minister of Local Government). He favoured Coloureds and Indians at the expense of White local government. The council did not address the problems of White local government.

It is also interesting to note that the council has not only confined itself to matters of 'general affairs'. A number of its investigations have been in areas which are 'own affairs' functions in terms of the constitution. This seems a means of further undermining UME.

It is also interesting to note that more than one interviewee thought the government had been over-accommodating to the demands of the Coloured and Indian representatives. Issues such as prior votes and increased remuneration for councillors originated from these representatives. This can be explained by the fact that the promotion of the status of Coloured and Indian representatives was one of the most important objectives of Heunis and senior DCDP planning officials (see 10.3 The Tricameral System: Greater Access for Management Committees).

6.8 REGIONAL SERVICE COUNCILS

Undoubtedly the main component of the new local government legislation and one of the major manifestations of this policy of devolution of power was the Regional Services Council Act of 1985. Its objectives as announced by Minister Heunis when he presented the bill in parliament were:

- i) to provide certain bulk services in a more cost-effective and efficient manner;
- ii) to provide extra sources of revenue to alleviate the limited growth potential of property rates;
- iii) to promote multi-racial decision-making at local government level (House of Assembly Debates (cited hereafter as HAD), 1985 : Cols. 7750-7759).

As already pointed out, the policy process began with the Browne Committee's recommendation that Joint Service Commissions be introduced. This was supported by the CWG. The President's Council's report accepted that there was a need for a metropolitan body to solve the uncoordinated planning caused by fragmentation, which led to the unnecessary duplication of functions, infrastructural services and manpower. There was also need for such a body to facilitate multi-racial decision-making. Further, the President's Council's report recommended that a committee of experts be set up to investigate the establishment of metropolitan authorities in major urban areas.

The government, in its response to the Report, acknowledged that services would have to be provided jointly on a metropolitan or regional basis. However, before such

structures were introduced, further technical investigations would have to be undertaken. This was achieved through the Coordinating Council's report into the Joint Provision of Services which was undertaken between January and April 1984. The chairman of the committee was Eugene Louw, then Administrator of the Cape. The report, which fleshed out the detail of joint provision of services and recommended that RSCs should be introduced for the provision of general or regional services (RSA, Coordinating Council, 1984A), was approved by the Coordinating Council and then forwarded to the cabinet for approval, almost certainly after Minister Heunis had first informally lobbied the State President.

The Bill was originally presented to parliament in July 1984, but was referred to the Select Committee on the Constitution after vociferous protests from a number of disparate quarters, including UME and organised Commerce and Industry, because of its lack of both detail and knowledge of local government workings. This system of select committees, appointed by parliament to investigate and report on specific matters, was a feature of the Westminster system (J. Cloete, 1982 : 105). This particular select committee consisted of members of all the political parties represented in the three Houses. It could hear evidence from all interested parties. The government has not revealed which bodies gave evidence to this committee on RSCs.

By the time the revised Bill was introduced to parliament in 1985, two major developments had occurred.

Firstly, violent opposition to BLAs in a number of townships from 1984 onwards had led to the collapse of several of these councils. The original Bill had only encompassed White, Coloured and Indian local authorities. Blacks were included in the 1985 Bill. RSCs were a vehicle for the redistribution of wealth, and it was obvious that the greatest need for upgrading was in Black areas. The government hoped that the upgrading of facilities in Black areas would lead to greater stability (Interview with Minister Heunis, 1989).

The second major development was the introduction of the tricameral system in September 1984. The tricameral system was intended by the government to work on a consensual basis. Such consensus was to operate through the joint committee system. For 'general affairs' matters, each House appointed a standing select committee for the duration of a House. A standing committee consisted of three standing select committees and was appointed for the duration of a Parliament (Marais, 1989 : 262-263). The most important standing committee was that of Constitutional Affairs. All new major constitutional and draft legislation was dealt with by this committee. It was also a heavyweight committee, consisting of, inter alia, Minister Heunis, chairmen of the Minister's Councils in the Houses of Representatives (Allan Hendrickse) and Delegates (then Amichand Rajbansi), and the Minister of Local Government in the House of Representatives, David Curry.

In May 1985, the Regional Services Council Bill, as was required in terms of the new constitution, was referred to this committee. Here a number of concessions were wrung from the government by the Coloured and Indian representatives. For example, Central Business Districts (cited hereafter as CBDs) and industrial areas were excluded for the purposes of calculating voting strength. The voting strength of individual local authorities depends on the amount of RSC services consumed by them. Most CBDs and virtually all industrial areas fall within White local authority areas. This exclusion therefore bolstered Management Committees/LACs and Black local bodies' strength at the expense of White local authorities. An Appeal Board was created as a result of an amendment that came out of the standing committee. It existed to hear appeals against RSC decisions and consisted of, inter alia, the three Own Affairs Ministers of Local Government (also see 7.2.3. Voting Representation). Coloured and Indian representatives saw it as a safeguard against being dictated to by richer and larger White local authorities (RSA, Regional Services Council Act, No. 109 of 1985; interviews with senior DCDP officials, 1989).

Although these changes gave the appearance of ad hoc incrementalist measures, they were in the sphere of content, not principle. These concessions were within the government's local government reform parameters, which had been determined before the tricameral system became

operational, i.e. the need to share power and redistribute wealth without losing control.

The 1985 Bill, unlike its 1984 predecessor, made provision for extra sources of revenue. This was a result of the Coordinating Council's investigation into such sources. While the CWG had proposed a three-component revenue source (see 6.3.2 CWG), the Coordinating Council recommended a two-component revenue source; viz. an employment tax and a turnover tax. The other tax, that of the investment levy, was referred by the government to the Margo Commission for investigation (Croeser, 1985 : 20).

The Bill was presented to and passed by all three Houses in July 1985. RSCs were originally intended to be implemented from January 1986. However, they were only introduced in July 1987. The government had underestimated the lead time involved in setting up the RSCs. Some of the dynamics involved in establishing the RSCs will be discussed in the chapter on the WCRSC (see 11.2 Formation of the WCRSC).

The creation of RSCs are an excellent example of how policy was made in a top-down, elitist fashion which did not reflect public demands. Only once the Regional Services Council Bill was at a relatively advanced stage were there attempts to sell it to various groupings. The policy was formulated by a small group of reformists. The NP's rank and file supporters made little input into this process. Its traditional sources of influence, the party caucus and cabinet, played a negligible role in the formulation of RSCs

(F. Cloete, 1989 : 15; interview with ex-senior DCDP official, 1991).

There was little initial enthusiasm for RSCs. The official opposition in the House of Assembly, the liberal PFP, and the extra-parliamentary opposition rejected the Bill because it was premised on separate racial local authorities. The CP rejected it because it introduced the principle of power-sharing and redistribution at local level. Organised commerce and industry opposed it because of the extra taxes they would have to pay to organised local government. The UME complained that it had not been consulted when the Bill was rushed through (Natal was the only provincial municipal association that had recommended to the President's Council that Joint Services Bodies be introduced). A number of non-NP-controlled local authorities opposed it because they feared losing powers and functions to RSCs. A number of Divisional Councils opposed the Bill because they saw their existence threatened by the proposed new councils. There is also evidence to suggest that the government had to do a great deal of explaining and cajoling to get certain NP-orientated municipalities to support RSCs (Cameron, 1988A; Humphries, 1988A : 110-111).

6.9 DEVOLUTION OF POWER : THE POLICY PROCESS

It has been pointed out that the government accepted the President's Council's recommendations that maximum devolution of powers to local authorities be accepted as policy. One of the Coordinating Council's initial investigations from January to April 1984 dealt with the

question of loosening control over local authority institutions. However, the Council had to operate within the framework of the Republic of South Africa Constitution Act, which meant an adherence to the racially based 'general'/'own' affairs philosophy (RSA, Coordinating Council, 1984B : 5-6).

The committee made a number of recommendations, some of the most important being that

- i) Voters' control over the activities of their local authorities should be promoted (8-12).
- ii) Macro-control should be exercised by the Department of Finance over the spending of local authorities in order to establish a coordinated expenditure pattern in the public sector (21).
- iii) There should be differentiation regarding the nature and scope of control, provided that any devolution of power be withdrawn should it be found that the local authority concerned is not governed effectively (19).
- iv) Any control should be exercised as close as possible to the local authority so that the lines of communication can be as short as possible to avoid any delays resulting from indirect control (19).
- v) Due to the large number of central acts, regulations and proclamations affecting the activities of local authorities, it was not possible for the committee to check all the legal stipulations and make recommendations as to which central government control measures in specific legislation ought to be adopted. It

suggested that all government departments inquire which control measures that are exercised in terms of legislation can be adopted in line with the government's accepted guidelines (25/26).

- vi) It suggested that certain provincial powers and functions be devolved down to local authorities. A list of control measures compiled from the various provincial ordinances served as a useful guideline to indicate which provincial powers could not be devolved and which should be subject to control (26).

In May 1985 the guidelines and provisions in respect of devolution of power were endorsed and further developed in a decision taken by the cabinet. This implied that:

- i) government functions should as far as possible be carried out at the lowest possible level of government;
- ii) central government and its departments should be vested primarily with general policy and monitoring functions;
- iii) this accepted the principle of continued existence and monitoring power of Central Treasury (Botha, 1988 : 2-3).

This 1985 decision, unlike that of 1982, made provision for devolution of power to provincial authorities. A number of pre-conditions determined the extent to which the government would be prepared to devolve power:

- i) It should be determined what functions can be transferred to local authorities to ensure cost-effective services to the inhabitants of a particular municipality.

ii) Arrangements should be made to ensure that national goals are adhered to by local authorities.

iii) Changing needs of communities need to be met.

(Thornhill, 1985 : 1).

As the Coordinating Council pointed out, further technical investigations were needed to explore what functions could be delegated. A Project Committee headed by the Commission for Administration was appointed to compile a report on the devolution of powers to local authorities.

The Committee also consisted of the Directors of Local Government of the four provinces and the three Own Affairs Administrations, DCDP planners and Department of Finance officials²³ (RSA, Coordinating Council, 1985 : 11-12).

There were three phases in this devolutionary exercise:

- i) identification and transfer of 'own affairs' at central government level;
- ii) identification and transfer of 'own affairs' at provincial level to various Ministers' Councils and devolution of general functions from central to provincial level;
- iii) identification and transfer of functions and powers from central and provincial level to local government level. (Business Day, 8/10/1986).

Phases (1) and (2) involved the horizontal extension of powers in terms of sections 14 and 16 of the constitution, and entailed the transfer of powers to the various Ministers' Councils. These phases were completed and various powers were transferred to these bodies in April

1989. Phase (3) involved the devolution of powers to local authorities and by October 1989 it was still in progress. The Macro Organisation directorate of the Commission was responsible for this process, in conjunction with the Organisation and Workstudy Departments of the various provinces. This entailed identification of functions at a minute micro-level, which was a highly time-consuming process. This explains why even after some years this task had not yet been completed (Interview with senior official, Commission for Administration, 1989).

Of particular interest were the principles within which the Commission operated. This meant that policy-making resided at national level, while local authorities were responsible for the execution component of the function (Interview with senior official: Commission for Administration, 1989). Minister Heunis confirmed this interpretation of affairs during a personal interview in 1989. While the adherence of local authorities to national goals is compatible with devolution, the notion that local authorities are responsible for the administration and execution of policy is in fact delegation and not devolution. As will be discussed in the next chapter, the embodiment of this principle in legislation led to accusations that the new local government deal was in fact characterised by greater central government control.

Devolution of power was accepted as government policy in 1982, a year before the DCDP local government directorate was established. However, it is contended that it was only

after the 1985 cabinet decision re-affirming this commitment to devolution that this policy was adopted in earnest. From 1983 until 1985, DCDP officials were the most forceful lobbyists within the government for the need to give greater power to this devolutionary process (F. Cloete, 1989). The issue of why devolution of power was seen as being important will now be examined.

6.10 OBJECTIVES OF DEVOLUTION

A major objective of devolution was to embody the basis of self-determination. Devolution was a mechanism through which group rights could be protected (Botha, 1988 : 10-11). This objective was to be achieved through the creation and strengthening of different racial local authorities, viz. vertical decentralisation, and the transfer of powers to the various Ministers' Councils, viz. horizontal decentralisation. There seems little doubt that this racial division of powers was more important than the geographic division of powers. As P.W. Botha stated: "devolution of authority to the local government institution of various population groups was a constitutional mechanism which would protect the interests of minority groups within a heterogeneous society" (Cape Times, 27/3/1984).

The second main objective of devolution, and it is closely related to the first, was that of a conflict-defusing mechanism; viz. to depoliticise highly contentious issues. The RSCs are the most prominent manifestation of this attempt to introduce technocratic structures removed from the realm of public contestation to incorporate and

defuse conflict. As Minister Heunis contended: "I hold that as a philosophy we have to reduce the conflict areas on a central level and bring them down to local level" (HAD, 1983 : Col. 10117). Part of this strategy also entailed the central government ridding itself of local development problems by transferring them to local government units, with RSCs also being an example thereof.

The third main objective was an administrative one. Centralised rule had proved to be inefficient and was unresponsive to local needs. It was hoped that devolution would expedite communication and decision-making and lead to decisions being adapted to local conditions; It was felt that it was easier to obtain reliable information if you are operating closer to the people who are to be affected by the decisions. This in turn would lead to more cost effective and efficient service provision (Heunis, 1988 : 209; F. Cloete, 1988A : 22).

The first two reasons can be classified as political and the third as administrative. These first two objectives had strategic purposes. They had explicit political objectives in that they were part of the government's strategy to bring about greater stability in the country. However, as pointed out (in 2.9 National Unity), states whose very existence is threatened do not devolve power lightly. In this case the beleaguered South African government was determined to keep control over the reform process for security reasons. As will be shown in the next chapter, this attempt to closely control this devolution of

power policy explains, to a large extent, why the government's parameters for this policy involved a great deal of central control.

6.11 THE NATIONAL SECURITY MANAGEMENT SYSTEM

It has been argued by a number of academics that the military was the hidden power during P.W. Botha's tenure, first as Prime Minister and then as State President (Geldenhuys and Kotze, 1983; Grundy, 1988; Swilling and Phillips, 1989). The evidence for this view is unconvincing; while the military undoubtedly played a major role in the formulation of a counter-revolutionary strategy to neutralise the activities of extra-parliamentary groups, it made little input in the formulation of both national and local constitutional proposals. It is true that the military, through the National Security Management System (cited hereafter as NSMS), became involved in the activities of certain BLAs, but this was in the field of the formulation and implementation of local policy and not in the formulation of central policy. This issue of NSMS' influence in local government policy will now be examined.

The military-dominated SSC was constantly accused of playing a dominant role in policy-making at national level during the 1980s (Geldenhuys and Kotze, 1983; Grundy, 1988 : 49-57). However the SSC, albeit the most important component, was only one aspect of the NSMS. Although the NSMS had been created as part of P.W. Botha's rationalisation process in 1979, it was only activated in 1986 with the declaration of the nation-wide State of Emergency.

'Total Strategy' reforms had not had the desired effect. There was mass resistance to the tricameral system, apartheid education and in particular to BLAs where popular resistance caused the collapse of certain councils. A selective State of Emergency in 1985 had failed to quell the violence so in June 1986 the government declared a nationwide State of Emergency. The Minister of Law and Order, Adriaan Vlok, subsequently announced that the state was operating according to a three-phase counter-revolutionary programme:

1. The restoration of law and order was the important priority.
2. Socio-economic upliftment would then occur.
3. Only then would constitutional development proceed (Leadership, 1987 : 28).

The NSMS was responsible for the management of the emergency and the embodiment of this programme. As pointed out (in 6.6.3 Minister Heunis's Personality) this revolutionary climate was not conducive to the reform process and the DCDP began losing influence vis-a-vis the securocrats within the state. While the DCDP reformists believed that political and economic reform had to go hand-in-hand, the securocrats as encapsulated in the infamous statement by General Magnus Malan, Minister of Defence, believed that the stability of the middle grouping of Blacks could only be bought through the satisfying of material needs (Die Suid-Afrikaan, 1986 : 13).

The apogee of the NSMS was the SSC. It has been argued that the SSC was the most important cabinet committee and highly influential on policy-making because:

1. It was the only committee that was instituted statutorily.
2. It was the only committee that had the State President (previously the Prime Minister) as chairman.
3. It was concerned with a broader range of activities than other committees including foreign policy, constitutional and economic affairs.
4. The support network was more comprehensive than the other committees. Unlike other committees it had its own secretariat which was dominated by military personnel (Geldenhuys and Kotze, 1983 : 39-40; Grundy, 1988 : 49).

The SSC had a wide-ranging brief, viz. to advise the government on the formulation and implementation of national policy and strategy in relation to the security of the Republic (Geldenhuys and Kotze, 1983 : 39-40). The permanent members of the SSC were the State President (formerly the Prime Minister), the Ministers of Defence, Foreign Affairs, Justice and Law and Order, the most senior cabinet members, heads of the South African Police (cited hereafter as SAP), South African Defence Force (cited hereafter as SADF) and the NIS, as well as other top officials. Additional ministers and officials could be co-opted on certain issues. The SSC secretariat was dominated

by senior security force officers (Geldenhuijs and Kotze, 1983 : 39-40; Grundy, 1988 : 51-57).

Next in line came the National Joint Management Centre (cited hereafter as NJMC) which was responsible for the functional management of the State of Emergency. It was chaired by the Deputy Minister of Law and Order (first Roelf Meyer and then Leon Wessels). It was responsible for the coordination of both security and welfare functions (Swilling and Phillips, 1989 : 18, 22; Seegers, 1988B, 29-30).

Beneath the NJMC were the Joint Management Centres (cited hereafter as JMCs) which, as one observer put it, "are at the cutting edge of government policy as it is deployed on the ground" (Selfe, 1987 : 9). It was an attempt to decentralise the operation of the SSCs to the regional and local levels. At regional level there were 11 JMCs which divided the country into management regions corresponding to SADF area commands and the nine economic development regions. They were normally chaired by senior SADF and SAP officers. Beneath them at metropolitan level were about 60 sub-JMCs, with some having borders that approximated those of the RSCs. Thirdly, at local level there were between 250 and 500 mini-JMCs and Local Management Centres (cited hereafter as LMCs) which coordinated state action in virtually every established urban area in the country. All these committees only had advisory powers and did not have separate budgets (Selfe,

1987 : 9-11;; Seegers, 1988A : 132-135; Swilling and Phillips, 1989 : 23-26).

The NJMC, sub-JMCs, mini-JMCs and LMCs were all divided into four committees (Seegers, 1988B, 30). One of them is important for the purposes of this thesis, namely the welfare committee. This committee was responsible for the coordination of functions of civil administration. Its membership consisted of officials of the various non-security state departments. Its major functions were "to practise development projects, cut red tape, unblock bottlenecks and generally ensure that things get done". At JMC level and below it was primarily concerned with the identification and coordination of local upgrade programmes (Seegers, 1988B : 30-31; Swilling and Phillips, 1989 : 24). Thirty-four areas which were deemed major security risks were identified for upgrading. (They were mostly Black local authorities, but at least one Coloured area was involved). Millions of Rands were pumped into these areas (Swilling and Phillips, 1989 : 21).

LMCs were responsible to mini-JMCs; those in turn to sub-JMCs, those to the JMCs; the JMCs to the NJMC and finally the NJMC to the SSC (Seegers, 1988B : 29, 31). All government institutions were required by law to participate in the NSMS. The development of the system was an attempt both to coordinate executive functions and to give the SSC the capacity to act at sub-national level (Seegers, 1988A : 129; 1988B : 29).

The problem with much of the literature on the NSMS is that it presumes that policy derives in an a priori fashion from the structure, functioning and objectives of the system. The causal relationships between the major components are not spelled out. It is contended that the influence of the SSC (like that of the OSP) was due to personal and not structural reasons. Its strength was due to the fact that the State President was its chairman and had the ability to determine the agendas and decisions of both the cabinet and the SSC (F. Cloete, 1989 : 9-10). All leaders bring in with them trusted advisers into office. Quite logically P.W. Botha, being Minister of Defence prior to becoming Prime Minister, brought in military officials as advisers. This does not mean there were any structural changes in policy. As previously pointed out, P.W. Botha had a highly forceful personality and was rarely challenged on any major issue at cabinet level. There is no reason to think things operated any differently at SSC level. While issues that were approved by the SSC tended to be rubber stamped by the cabinet, this was because P.W. Botha as chairman of the former body had already consented to such matters, and not because the military were de facto running the country. As Schrire (1988A : 25) points out: "While he [Botha] devised many of the perceptions of the military, he did not become a captive of his own department. Botha was always clearly in charge."

The SSC had no say in the formulation of new central policy in respect of local government. Major policy change

proposals would have been submitted to the SSC for comment, but by this time they had, due to Minister Heunis's informal lobbying, been consented to by the State President. This would have ensured their safe passage through the SSC. What also tends to be down-played is that there is a large overlapping membership between the SSC and cabinet, which to a certain extent blurs the differences between the two bodies (Selfe, 1987 : 6).

The activities of JMCs at local government level, however, were more complicated. The government's stated position was that the JMCs were merely a coordinating mechanism and that they did not have any executive powers. They had to convince line departments and local authorities to take their advice. JMCs were prevented in writing from giving orders to other government departments (General Malan quoted in The Argus, 16/9/1987).

There were certain cases where the military was involved in functional activities, but this was as an agent of other departments. This was because in crisis situations the military could have acted more quickly than line departments. It was able to call on manpower resources (professionally qualified conscripts) and financial resources (through secret funds) (Seegers, 1988A : 134 and interview with senior DCDP official, 1989).

The evidence, however, suggests considerable variation amongst different areas. Case studies have suggested that the JMCs had a major say in the formulation of local government policy in certain townships. Further, even where

the JMCs were only advisory bodies, it seems that their advice was invariably accepted by local authorities, particularly when such structures consisted of unsophisticated councillors (Boraine, 1988 : 21-22). The fact that upgrading occurred in areas which were identified as security risks (viz. the 34 so-called 'oilspots')²⁴ seems to suggest that policy at local level in certain instances was largely determined by recommendations of JMCs. The crucial factor is that the JMCs had access to upgrading funds. Even if the JMCs were only advisory bodies, the lure of funds for upgrading was a powerful incentive for local authorities to accept their recommendations (see 8.8 1986-1989: The Reassertion of State Control and the Reign of JMCs for an account of the activities of JMCs in certain Black townships).

Notwithstanding, the broad principles and parameters underpinning local government had already been accepted by cabinet by the time the NSMS had been activated. The NSMS was responsible for the coordination of welfare policies. It did not make central policy in respect of local government. Its actions have generally been within the parameters of policy drawn up by the DCDP and accepted by cabinet. Indeed, the raison d'être of JMCs can be partly explained by the delay in getting the RSCs off the ground.

The NSMS was involved in the formulation and implementation of policy at local level. In certain instances the structures of this system have undermined the powers of existing local authorities. However, the fact

that SSC, through the various welfare committees, seemed in certain cases to determine what development should occur at regional and local level, is a case of undemocratic centralisation of powers and not the formulation of new central policy (Bekker and Jeffery, 1989 : 15).

In conclusion, while the militarists gained increased influence on the implementation of policy through the NSMS in the 1980s, this did not indicate a structural shift of power. As indicated previously, these developments were indicative of the fact that there had been a centralisation of power, resources and authority in the presidency by the new constitution. The NSMS in the last instance was accountable to the OSP. As Schrire (1988B : 28) remarked: "If there has been a takeover, it has been an 'executive coup', not a military one."

6.13 CONCLUSION

This chapter examined the formation and adoption stages of the local government policy process in the 1980s. 'Total Strategy' was a broad ideological framework which influenced the environment in which policy was made. The tricameral system with its 'general affairs'/'own affairs' dichotomy determined the parameters within which local government policy changes were going to occur.

The Department of Finance was the first state institution to stress the need to depoliticise and devolve in order to reduce the conflict level at central level. The CWG was the most important Department of Finance input into policy. The President's Council's report of 1982 reflected

many of the CWG's proposals, such as the necessity to depoliticise and devolve powers and the need for new local government structures and taxes.

The government accepted most of the President's Council's recommendations and the reformist-orientated DCDP was given the responsibility for the drawing up of new local government legislation. The DCDP acquired a great deal of power and functions and had great leverage over the reform process. The main influence of the DCDP was due to the reformist strategy of Minister Heunis in informally canvassing, and getting the support of, the State President before formally presenting policy proposals to cabinet. This was because the tricameral system had vested enormous powers in the State President. The incumbent, P.W. Botha, had an authoritarian personality. No-one in the cabinet had the courage to challenge him on a major policy issue once he had reached a decision.

There is evidence supporting the hypothesis that the local government policy process was made in an elitist, top-down fashion by a small group of reformists. The Coordinating Council, which made recommendations on all local government issues requiring legislative changes, was dominated by Minister Heunis and was not an instrument for consensus. RSCs, which introduced new metropolitan structures, were another example of policy being conducted in an elitist, top-down fashion. There was little popular enthusiasm for RSCs. Devolution of power was another policy change which was largely engineered by a group of reformists

within the state. The main objectives of devolution of power were:

- (a) to embody the central policy principle of self-determination for each group;
- (b) to defuse conflict from central to local level;
- (c) to ensure that services were provided in a more cost-efficient and effective way.

The NSMS played a negligible role in the formulation and adoption of stages of local government policy. The regional/local extension of the NSMS, i.e. JMCs, were however involved in the implementation of policy in certain Black areas. This usurped the powers and functions of certain local authorities.

CHAPTER VII

THE POLICY CONTENT OF NEW LOCAL GOVERNMENT LEGISLATION

7.1 INTRODUCTION

While the previous chapter dealt with the mechanics of policy-making and the aims and objectives of local government reform, this chapter will concentrate primarily on the analysis of the policy content of this new local government legislation in the 1980s.¹ Particular attention will be given to the central issue of whether the main features of this new local government legislation embody devolution of power or not.

An analysis is also made of the new provincial and Own Affairs structures and the Department of Finance control procedure over local authorities. An examination is also undertaken of the manifestations of one of the principles underpinning the devolution of power, viz. voters' control. Finally, an evaluation of the state's strategy in respect of this devolutionary issue is undertaken.

7.2 REGIONAL SERVICES COUNCIL ACT OF 1985

It was pointed out (in 6.1 Introduction) that state reformers realised that there had to be both political and economic reform to ensure greater stability in the country. However, although committed to power-sharing, the NP had no intention of losing control of the reform process. Both these objectives were encapsulated in the Regional Services Council Act of 1985, which introduced new multi-racial local government structures, RSCs. This Act was the

kingpin of new local government legislation. Minister Heunis of DCDP said that this Act was the best example of the new policy of devolution of power (Network, 27/10/1988). Its objectives, as announced by him in parliament when presenting the Bill, were:

1. To provide certain bulk services in a more cost-efficient and effective manner. Uncoordinated regionalisation had led to the duplication of services with poorer areas failing to attain even a minimum standard of services.
2. To provide extra sources of revenue to alleviate the limited growth potential of property rates.
3. To facilitate multi-racial decision-making at local government level. The Act created a forum where matters of joint concern could be discussed (HAD, 17/6/1985 : Cols. 7750-7759).

7.2.1 Functions

The Act made provision for 21 functions to be performed by RSCs. Most of these functions were to be transferred from PLAs to these new bodies. RSC services are obligatory for all its constituent local authorities, unless specifically granted exceptions. The 21 functions are: bulk supply of water, bulk supply of electricity, sewerage purification works and main sewerage disposal guidelines, land usage and transport planning, roads and stormwater drainage, passenger transport services, traffic matters, abattoirs, fresh produce markets, refuse dumps, cemeteries and crematoriums, ambulance and fire brigade services, health services,

airports, civil defence, libraries, museums, recreational facilities, environmental conservation, promotion of tourism and the establishment, improvement and maintenance of other infrastructural services and facilities. Provision is also made for any other regional functions to be transferred to RSCs (RSA, Regional Services Council Act No. 109 of 1985 : Section 3).

It was originally intended for for RSC functions to be matters of 'general affairs', while matters of 'own affairs' were to be controlled by racially-based local authorities (see 6.2 Total Strategy for more information about this 'general affairs'/'own affairs' dichotomy). However, an amendment to the Act in 1986 made provision for RSCs to perform both 'general' and 'own' affairs functions. This was because Cape RSCs, unlike those of the Transvaal and Orange Free State,² were not newly created bodies. They took over the infrastructure and functions of Divisional Councils which included both 'general' and 'own' affairs matters. (See 4.4.3 Rural Local Authorities for an overview of the functioning of Divisional Councils.)

7.2.2 Establishment

The power to establish or abolish RSCs or alter their boundaries rests with the Administrators of the respective provinces. Before an Administrator does this he has to consider a report from the Demarcation Board (see 7.11.1 Demarcation Board) and has to exercise the powers in concurrence with the Minister of DCDP (both in this capacity and that of Minister in charge of Black local government),³

the Minister of Finance, and the three Own Affairs Ministers of Local Government. He is also obliged to consult with local bodies involved. Finally, he has to take cognisance of the criteria mentioned in Schedule 1 of the Act, viz. community of interests among the residents, the economic interdependency between residents in respect of where they live, work, commute and relax and spend most of their income, financial self-sufficiency with regard to the rendering of services, the nature of the services rendered, cost-effectiveness and efficiency in rendering of services, existing administrative boundaries and development potential. Once this procedure is completed he demarcates the RSC boundary for the region, determines which local bodies will be represented on the Council and which functions the RSC will undertake, decides which CBDs and industrial areas are to be excluded, and then creates the RSC (Section 2). There is no possibility of appeal against any of his decisions.

7.2.3 Voting representation

RSCs consist of representatives of White local authorities, Coloured and Indian Management Committees/LACs, BLAs, or any representative appointed by the Administrator of a body established outside the area of jurisdiction of these authorities. The members are nominated by constituent local authorities, and are thus indirectly elected. The voting power of a constituent local authority is in direct proportion to the amount of RSC services consumed by it, with each local body nominating one member for every 10% or

part thereof of services consumed. However, no local authority can have more than 50% of the vote. All decisions require a two-thirds majority (Section 9). Furthermore, CBDs and industrial areas are excluded for the purposes of calculating voting strength (see 6.8 RSCs).

Provision is also made for an Appeal Board. The Appeal Board consists of the Administrator (or the Minister of Finance in respect of financial matters), the Minister of DCDP in his capacity as Minister in charge of Black local government, and the three Own Affairs Ministers of Local Government. A local body which is aggrieved by a RSC decision can ask the Council to debate the matter again. If it is still dissatisfied after a second hearing, it can appeal to the Appeal Board. A successful appeal needs the consent of all the Board members. An appeal can be lodged in respect of five items, viz. the failure of a council to provide a regional function; the inadequate performance by the council of a regional function; any decision or proposal of the council of a priority in connection with the appropriation of funds; any determination by the council of a priority in connection with the appropriation of funds; and the refusal by the council of any application for exemption to make use of a RSC service (Section 11).

Voting requirements such as a two-thirds majority for decisions, limits on larger local authorities' representation and the process that aggrieved local bodies had to comply with if they were dissatisfied with a decision, were designed to encourage consensus politics (DCDP, 1988 : 17).

The Regional Services Council Amendment Act of 1988, however, changed the voting arrangements on RSCs. In terms of this legislation, the Administrator has the power to change the voting composition of the local authorities in order to achieve a result which in his opinion is fair to all parties concerned. Furthermore, if a majority cannot be obtained on any matter, the chairman is compelled to refer the matter to the Administrator for a final decision, effectively overriding the entire appeal mechanism (RSA, Regional Services Council Amendment Act, No. 49 of 1988).

7.2.4 Finance

The Act embodied two of the CWG's recommendations, provision being made for a regional services and a regional establishment levy. The former is a tax on wages and salaries of all employers in a RSC region. The latter is a levy calculated on total sales recorded by businesses. The rate of these levies is determined by the Minister of Finance after consultation with the Administrator. These taxes replaced black transport and labour levies, which were direct government subsidies, as well as local authority license fees. The RSCs did not have the power to levy property rates. This remained the preserve of PLAs.

The Act made it obligatory for RSCs to spend their funds exclusively in RSC regions and on the following:

- (a) costs incurred in the execution of its functions;
- (b) the payment or part thereof of costs incurred in a region by a local body in the performance of its functions;

- (c) expenses in connection with the collection of levies.
- (d) payment or part thereof of regional transport infrastructure expenses;
- (e) training of personnel. It is obligatory for RSCs to pay one-twentieth of a year's revenue to the training fund established in terms of the Local Government Training Act (see 7.10 Local Government Training Act of 1985);
- (f) any other purpose approved by the Minister of Finance after consultation with the Administrator (RSA, Regional Services Council Act, 1985 : Section 12).

Priority was to be given to the establishment, improvement and maintenance of infrastructural services, and infrastructural facilities where the greatest need exists (Section 12[6]).

It was stated in parliament by Minister Heunis that it was hoped these additional sources of revenue would enable local authorities to become more financially self-sufficient, thus reducing the need for government subsidies in metropolitan areas. Among the financial principles the Act was based on was, firstly, devolution of power. Local voters would have control over the nature and level of services. Secondly, it was based on the principle of user-charges, viz. that services should be paid for as much as possible by the actual consumer (HAD., 17/6/1985 : Col. 7758).

7.3 EVALUATION OF THE REGIONAL SERVICES COUNCIL ACT

7.3.1 Metropolitanisation

The issue of consolidation of local units has already been discussed (in 2.8 Consolidation of Local Units). It was pointed out, firstly, that a metropolitan form of government is the natural consequence of growing urban centres where there is both duplication of services and disparities in the costs of providing such services among constituent local authorities. Secondly, international and local evidence has shown that local authorities rarely organise effective cooperative action voluntarily. Local political and economic interest groups' apprehension that their interests would be subsumed in a metropolitan body ensures that cooperation generally occurs in technical areas only. For a metropolitan body to work effectively, participation must be mandatory. In terms of these criteria, the government had strong grounds for introducing these new structures. RSCs were intended to rationalise the use of scarce resources such as skilled manpower, infrastructure and land. In particular, they were seen as a solution to the problem that had bedevilled poorer and smaller local authorities: that of finding trained staff. The intention was to pool the services of professional staff of a region so that they could be utilised by the smaller and poorer local authorities (DCDP, 1988 : 198).

Less persuasive is the government's claim that metropolitanisation leads to a more effective provision of services. As pointed out (in 2.8 Consolidation of Local

Units) the economies of scale of metropolitanisation have never been satisfactorily proved anywhere. Metropolitan bodies can, however, be justified on the basis of equity. Such structures are potentially progressive in that, under certain conditions they can ensure the redistribution of wealth from richer local authorities/areas to poorer local authorities/areas of a metropolitan region.

The redistributive intention behind the RSCs was seen in Section 12(6) which is an attempt by the state to defuse township unrest by uplifting the quality of life in such under-developed areas. It was rushed through just before parliament was prorogued in 1985. The reason for this haste was that the government saw the RSCs as an immediate panacea for such unrest. As Deputy Director-General of Constitutional Development C.F. Scheepers remarked, "RSCs have a vital role in the total strategy of upliftment and stabilisation of non-white communities" (South African Broadcasting Corporation [cited hereafter as SABC] News Bulletin, 29/11/1985).

However, although the Act makes provision for funds to be redistributed to where the need is greatest, the voting mechanism appeared to militate against this happening. Whites are greater consumers of services, and in many RSCs White local authorities collectively had in excess of the two-thirds threshold voting level. The view of White local authorities as expressed through the UME has consistently been that they do not consider their function to subsidise local authorities of other race groups.⁴ At the time of the

promulgation of the Act it was suggested that in order to ensure compliance with Section 12(6), the Appeal Board could find itself in a position of having to reverse the allocation of funds to White areas in the direction of underdeveloped Black townships. This could lead to strong resistance by White local authorities and give right-wing parties a strong mobilising issue (Cameron, 1986A : 73; 1988B : 54).⁵

7.3.2 Devolution of power

Does the Regional Services Council Act embody the government's stated principles of devolution of power and minimum administrative control? The government argues that RSCs are an extension of local authorities and that it is the representatives of such local bodies who will make RSCs' decisions. However the Administrator, a government appointee, plays a major role in the functioning of the RSCs. He has the power, inter alia, to establish a RSC (after considering a report from the Demarcation Board which he can reject), amend its region, abolish the RSC, decide which local authorities/bodies are going to participate in it, appoint and dismiss the chairman of any RSC, transfer or second to it any civil or municipal servant, decide which functions or parts of functions the RSC may perform, change the voting composition of local authorities on RSCs, make a final decision if a majority vote is not reached on any matter, relieve any local body or any function identified as a regional function without compensation, identify which CBDs and industrial areas can be excluded from the Act, and

make regulations he deems necessary for the effective execution of the Act. These key powers are a form of deconcentration and not devolution.

It has been argued that these powers of Administrators mainly relate to getting the RSCs off the ground. It was suggested that once functional, RSCs would probably be controlled from the bottom up because constituent local authorities have the right to participate, the right to vote in meetings and the right to appeal (Breytenbach, 1987 : 46-47). However, the Regional Services Council Amendment Act of 1988 gave the Administrator potential power to override local authorities' decisions and appeals.⁶ The Administrators were given the power to perform the duties of a local authority where it refused to carry out any regional function, and to charge the costs incurred to the local body concerned (RSA, Regional Services Council Amendment Act, No. 49 of 1988).

It has been argued by the government that devolution of power has occurred in respect of finance. Provision is made in the Act for two regional taxes raised from and allocated to local jurisdiction by local representatives. However, the levels of these taxes are set by the Minister of Finance (after consultation with the Administrator). RSCs are subject to more central financial control than PLAs. The latter bodies are subject to indirect financial controls in that once they have determined their rate levies, these have to be approved by the Administrator. However, the rates of RSCs are determined directly by the Minister of Finance.

While these regional levies have embodied the principle of fiscal federalism, it is in a rather neutered form (see 6.3.2 CWG for more information about fiscal federalism). These levies are delegated and not devolved taxes, with the rate being set by the Minister of Finance. Although the rate for all RSCs was initially set at 0,1% for the turnover tax and 0,25% for the payroll tax, there is no limit on the amount to which the rates of these taxes can be raised in the future. By the end of the 1980s a number of RSCs, with the approval of the Minister of Finance, had already increased the rate of their turnover taxes. Further, RSCs budgets must be approved by the Minister of Finance and he can introduce regulations which he deems necessary for the execution of this Act. A 1986 Amendment gave the Minister of Finance additional powers to determine how the levies will be calculated and by whom (RSA, Regional Services Council Amendment Act, No. 78 of 1986).

A further undemocratic feature of the Act is the provisions pertaining to the Appeal Board. Although an appeal can only be lodged in respect of five items, the criteria for these items are extremely wide, covering most matters of probable contestation. Thus, collective decisions of local authorities can be overturned by government ministers. Although this is undemocratic, it has been mooted that this is a form of 'enlightened autocracy', because it can ensure redistribution of wealth to poorer black areas. The 1988 Amendment centralises matters even further, in that the chairmen of the RSCs are compelled to

refer any decision where there is a deadlock to the Administrator for a final decision.

RSC functions represent most of the important functions of major PLAs. Although in terms of the Act, PLAs could operate these services on an agency basis for the RSCs, they will have no primary policy-making powers in this regard. If all these 21 potential regional functions are transferred to the RSCs, the type of functions that PLAs will be left with will be dramatically diminished.⁷ In view of the large range of central controls, the government's justification for this - that RSCs are an extension of local authorities - seems dubious. Further, such bodies are indirectly elected, hence not directly accountable to local ratepayers.

7.3.3 Regional Services Councils' Finance

One of the major financial principles underpinning this new legislation was the need for the state to disengage itself from expenditure. This was to be achieved through the introduction of these self-financing metropolitan bodies. The intention was gradually to phase out all central government subsidies in respect of RSC functions, such as transport. Self-financing RSCs were an important component of the government's strategy to depoliticise the central state (the state's strategy of depoliticisation is discussed in more detail in 6.3 Department of Finance and 6.4 The President's Council's Report on Local Government). It is at metropolitan and not central level that provision is made for the redistribution of resources to poorer local authorities. Finance Minister Barend du Plessis, responding

to a question as to why the new sources of revenue cannot be raised and redistributed at central government level, asserted:

Raising taxes at central level and redistributing them to regional level, will merely further politicise an issue which is essentially for the benefit of people in an economically contiguous area (HAD., 19/6/1985 : Col. 7859).

The government's plan was that conflict over resources would be articulated at indirectly elected RSCs, which were intended to be depoliticised bodies removed from the realm of public contestation.

7.3.4 Regional Services Councils and Ethnicity

Although the government claims that the RSCs are not racial bodies in law, they are nonetheless premised on racially-defined local authorities, which are in turn based on separate Group Areas. It is these racial representatives who are represented on RSCs. This factor caused the system of RSCs to be opposed by the PFP, liberal city councils and extra-parliamentary Black organisations. However, it has been argued by the state that although group-based, RSCs are the first fully multi-racial decision-making bodies at local level. The symbolic impact of representatives of all the statutorily prescribed groups discussing issues of common concern should not be underestimated (DCDP, 1988 : 203).

7.4 PROMOTION OF LOCAL GOVERNMENT AFFAIRS AMENDMENT ACT OF 1984

As a result of the Coordinating Council reports into demarcation of jurisdiction of local authorities and the

criteria for viable local authorities, the Promotion of Local Government Affairs Amendment Act of 1984 was promulgated (RSA, Coordinating Council, 1984C and 1984D). In terms of this Act, the powers of Administrators to establish, dissolve or to combine to local authorities, to determine or alter the area of jurisdiction of a local authority or to classify local authorities according to grades, have to be exercised in terms of general directives setting out uniform criteria, standards and norms for all local authorities. These directives were to be laid down by the Minister of DCDP after consultation with the Coordinating Council. Local authorities were to be graded on their ability to perform functions and exercise powers effectively on the basis of these directives. In May 1985, 17 directives were announced. They ranged from technical issues such as an adequate supply of water and electricity to concepts such as "a fairly homogenous community" which, because they are so nebulous, are wide-ranging in implication (see RSA, Promotion of Local Government Affairs Amendment Act, No. 116 of 1984; and RSA, Directives Issued in terms of Section 17A of the Promotion of Local Government Affairs Act 1983, Government Gazette No. 9571 of 24 May 1985).

This Act reflects both centralisation and devolution simultaneously. On the one hand, the Minister of DCDP now has considerable say in the establishment of local authorities, while on the other, the grading system is an important component of the devolution policy. It was now

possible to identify on a scientific basis the different financial and administrative capabilities of individual local authorities. Power could be devolved to local authorities on the basis of these capabilities. This was achieved with the Remuneration of Town Clerks Act.

7.5 REMUNERATION OF TOWN CLERKS ACT OF 1984

Town clerks were the only group of local government employees that remained outside of the provision of the Industrial Conciliation Act. As pointed out (in 4.5.3.2 Personnel Control) they were subject to the virtually unlimited control of provincial administrations. This meant they had very little job protection and were occasionally fired arbitrarily. Further, control of their remuneration was such that departmental heads who, although subordinate to them, often earned more than they did. The town clerks, through their professional body, the Institute of Town Clerks, and their union, the Association of Chief Administrative Officers of Local Authorities, made repeated representations to the government to be removed from the control of the Administrators and to be made subject to the provisions of the Industrial Conciliation Act. This was achieved in 1984 but not in the way in which they had asked. Although they were included in the Labour Relations Amendment Act, the successor of the Industrial Conciliation Act, there was one notable exception: their remuneration (Evans, 1985 : 1-4).

The Remuneration of Town Clerks Act was originally applicable to government institutions for Whites, Coloureds

and Indians. Blacks were brought into the ambit of the Act in 1985. The power to set the remuneration and other service benefits of town clerks (defined as the Chief Executive of a local authority irrespective of the designation of the post), such as housing schemes and travelling allowances, was removed from the Administrator and vested in the Minister of DCDP. Local authorities were divided into 15 different grades in terms of the Local Government Affairs Amendment Act of 1984. The grades were determined on a statistical formula based on 13 factors which were weighted differently. The Income of Local Authorities (25%) was the most important factor. Erven (15%), Electricity Meters (12%), Water Meters (10%) and Sewerage Points (10%) within local authorities' boundaries were the other important factors. Town clerks were to be remunerated in proportion to the grading of their local authority. Furthermore, no employee's remuneration, including allowances, could exceed 92,5% of that of their town clerk (RSA, Remuneration of Town Clerks Act, No. 115 of 1984 and Classification of Local Authorities According to Grades, Government Gazette No. 9462 of 19 October 1984).

By controlling the remuneration of town clerks, the Minister de facto controlled the remuneration of senior municipal officials in all local authorities in the country. While this legislation led to greater centralisation of powers, it is also fair to say that central personnel control is not incompatible with devolution. It is not uncommon, even under the separate personnel system, for

aspects such as minimum salaries, disciplinary procedures, labour relations, qualifications of certain technical personnel and standards of local staff systems to be controlled by central government (see 3.2.1 Separate System). The United Nations (1966 : 24) suggests that there is a

clear correlation between the extent to which certain basic elements of local government personnel systems are prescribed nationally and the extent to which the prerequisites of a sound personnel system are generally fulfilled.

The government, however, went beyond this prescription of certain procedures and norms, and introduced further measures of central control. It was pointed out that provincial control over town clerks had already led to a shift from the separate to the more centralised unified model. The various provinces had imposed stringent service conditions, including maximum salaries, for this group of employees (see 4.5.3.2 Personnel Control). The government now introduced elements of the even more centralised integrated model (see 3.2.2. Integrated System). The remuneration packages of senior local authority staff were now linked to those of public servants, and were indirectly controlled by central government. It means, as Craythorne points out (1990 : 327), that local authorities cannot improve their own staff conditions; they have to wait until the Commission for Administration improves public service conditions before they can do so.

This Act had a great effect on the remuneration package of smaller local authorities in particular. Many of them had to pay relatively high salaries to attract professional staff. This legislation cut the remuneration package of a number of senior officials in certain local authorities and caused a great deal of bitterness (Financial Mail, 21/12/1984).

This local authority discontent contributed to The Remuneration of Town Clerks Amendment Act of 1987, which changed the content of the original Act by introducing an Advisory Board on Remuneration and Service Benefits of Town Clerks. The Board consists of local government representatives from employer and employee organisations. It is able to determine the service benefits of town clerks subject to certain conditions. The Board now had the function to classify local authorities in grades. The grading system was also changed. Now no senior official could earn a higher remuneration than an amount equal to the remuneration payable to a town clerk of a local authority, which is one rank lower in accordance with the general determination binding on the latter local authority (RSA, Remuneration of Town Clerks Amendment Act, No. 106 of 1987).

These changes meant a shift in the direction of devolution in certain respects. Town clerks' salaries were under statutory control since 1956. The Minister of DCDP was divested of the power that he held in terms of the original Act to determine the remuneration benefits of town clerks. Now their remuneration was to be set by local

government representatives. However, the Board's powers to determine salaries were limited. According to section 9 of the Act the highest remuneration, including service benefits, that can be paid to a town clerk is that payable to a Deputy Director-General of the public service. The amended Act also led to greater centralisation, in that it brought leave benefits within its ambit.

Finally, individual local authorities still did not have the power to set the salaries of their respective town clerks. One of the principles underlying this Act was that town clerks were part of the public sector and decisions on service benefits for town clerks should be within prescribed maximum limits. This view had been expressed in the Browne Committee's Report (1980 : 7), which pointed out that local authorities' employees are paid by taxpayers and increases in salaries paid by municipalities result in higher local authority taxes. The need to control local government expenditure became government policy and was reflected in the Act.

This principle was also evident in another Act affecting local government, viz. the Pension Benefits for Councillors of Local Authorities whereby the Minister of DCDP determined the conditions under which the local authorities operate pension funds and the rate of contributions of local authorities (RSA, Pension Benefits for Councillors of Local Authorities Act, No. 125 of 1987).

The importance of town clerks in this local government policy was illustrated by the introduction of the Profession

of Town Clerks Act, which elevated town clerks to professional status. The justification for this Act was that town clerks were playing a key role in this maximum devolution of power policy, which demands greater responsibility and insight, hence the need for professionalism (HAD., 6/6/1989 : Cols. 12982-83 and RSA, Profession of Town Clerks Act, No. 75 of 1988).

It is also worth mentioning briefly under this broad discussion of personnel that the Basic Conditions of Employment Act of 1983 replaced the Shops and Offices Act and lays down certain minimum service conditions that have to be adhered to by employers, including local authorities. Similarly, the Machinery and Occupational Safety Act of 1983 replaced the Basic Conditions of Employment Act and lays down worker safety conditions that have to be followed by employers, including local authorities (Craythorne, 1990 : 217 - 228; also see 4.5.3.2. Personnel Control).

7.6 THE COMMISSION FOR ADMINISTRATION ACT OF 1984

The Commission for Administration Act of 1984, although not specifically applying to local authorities had one ominous provision pertaining to them. Although couched in rather vague terms, Section 7 of the Act can be interpreted in a way that gives the Minister of Home Affairs, through the Commission of Administration, vast powers over the appointment, remuneration and service conditions of local authorities. In particular, it gave the Minister the power to appoint senior local government officials (RSA, Commission for Administration Act, No. 116 of 1984). This

measure was not, however, used against local authorities in the 1980s.

7.7 LOCAL AUTHORITY LOANS FUND ACT OF 1984

In terms of this Act, the management of Local Authority Loans Funds were transferred from the Public Investment Commissioners to a Board under the chairmanship of the Minister of Finance or his nominee (RSA, Local Authority Loans Fund Act, No. 67 of 1984). This fund was originally for smaller local authorities exclusively. It was only made available to larger local authorities in 1987. However, larger local authorities have generally moved towards internal financing, and in any event their creditworthiness is such that they can obtain loans in the open market. It is mostly smaller White local authorities and BLAs that are utilising the Fund.

This Act makes provision for smaller local authorities to gain access to funds which they otherwise would have trouble raising. However, there is now direct government allocation of funds, as opposed to the previous indirect control.

7.8 GROUP AREAS AMENDMENT ACT OF 1984

The Group Areas Amendment Act of 1984 made provision for the opening of CBDs to all races for trading purposes. Requests for the opening of CBDs would be considered by the Group Areas Board, who would then send recommendations to the Minister of Community Development (from 1985 the Minister of DCDP. Group Areas was transferred to DCDP in that year). The Minister would then make his decision known. Local

authorities had to be consulted, but their explicit consent was not needed for the opening of such areas. This meant that right-wing municipalities could not obstruct the desegregation of CBDs (RSA, Group Areas Amendment Act, No. 101 of 1984).

7.9 THE RATING OF STATE PROPERTY ACT OF 1984

As a result of the recommendations of the CWG (see 6.3.2. CWG), The Rating of State Property Act of 1984 was promulgated. This Act repealed the State Property (Immunity from Rating) Act of 1931 and the Rating of Railway Property Act of 1959. In terms of the Act local authorities could now levy rates on state property. The Minister of DCDP could exempt certain state property providing he had consulted the respective Administrators and obtained the concurrence of the Minister of Finance (RSA, The Rating of State Property Act, No. 79 of 1984; and Craythorne, 1990 : 373-374).

7.10 LOCAL GOVERNMENT TRAINING ACT OF 1985

The Local Government Training Act made provision for the establishment of a national coordinated local government Training Board, whose objective was to train local government officials and provide guidance to councillors. The legislation was a result of the Coordinating Council's report on training, which recommended the introduction of such a Board (RSA, Coordinating Council, 1984E). In addition, the Browne Committee had expressed concern about the inadequate training facilities for local government employees, and the President's Council had mentioned the

need for trained local government personnel and capable councillors. The seven members of the Board are appointed and hold office at the pleasure of the Minister of DCDP. The Training Board makes policy on advice from the National Coordinated Training Committee, a sub-committee of the Coordinating Council. Regional Training Committees have been created for each province. Beneath these bodies are sub-regional training committees. Municipal associations have representation on these committees, which determine training needs within regional/ sub-regional contexts. They draw up budgets and programmes for training action and arrange for courses to be presented.

How are the Training Board's activities funded?

Between 1985 and 1989, R16 650 000 was allocated by parliament to this body. One twentieth of RSC funds go to the training fund annually. In addition there is a training levy of R2,50 (originally R1,50) per employee on local authorities (RSA, Local Government Training Act, No. 41 of 1985; RSA, Training Board, 1987, 1988 and 1989).

The lack of suitably trained personnel has been one of the main obstacles to both the establishment and operation of 'non-white' local authorities. This has been a problem in smaller White local authorities too. Such bodies do not have the funds to run their own training programmes. Local authorities that provide training, in accordance with courses approved by the Training Board, to the staff of their own and other local government institutions are able

to claim for the defrayed costs of training local government personnel.

The government claims that the Training Act is a devolutionary act which transfers the responsibility and the execution of training programmes to local authorities (through the regional and sub-regional committees). The aim of the training strategy is to improve the level of services and the level of local government and administration. This will make local authorities more competent to meet local demands and will enhance the prospects for further devolution (RSA, Training Board, 1987; Thornhill, 1985 : 10).

How does this affect the training programme of existing local authorities? A number of larger (White) local authorities have run their own training programmes for years. When the Act was enacted, the government was at pains to point out that the autonomy of local authorities would not be interfered with. It regarded the role of the Training Board as being to supplement rather than to replace existing training programmes of local authorities. A senior DCDP official stated that the Training Board would not prescribe courses but only react to proposals put forward by the various training bodies. The aim was to establish broad guidelines according to fixed standards (Thornhill, 1985 : 10).

The content of these courses is evaluated by an Evaluation Committee consisting of professionals in the field of personnel. This is to ensure that training

programmes are evaluated in terms of scientific criteria (RSA, Training Board, 1987). While this is likely to improve the quality of training programmes in the long term, this Act has, to a certain extent, led to the centralisation of authority for training. Local authorities that wish to have costs defrayed for existing or new programmes (and in view of the resource squeeze in which many local authorities find themselves, it makes sense to do so) have to conform with the Training Board's standards. The money for the Training Fund can be utilised only for the provision of training courses that have been approved by the Training Board.

At the time that the Act was enacted, it was feared that such training standards could be underpinned by NP policy, viz. self-determination for ethnic groups (Cameron, 1986A : 75-76). In practice, much emphasis has been placed on training in management skills for middle and top management in local authorities (RSA, Training Board, 1989). As far as can be ascertained, these courses do not have any apartheid underpinnings. However, the CPA did oppose the CCC becoming the regional training centre of the Western Cape because of the council's liberal policies. Training is undertaken by Western Cape-based training officers accountable to the Training Board, but for payroll purposes on the books of the CPA (also see 9.7.3 Effect of Training Board's Activities on CCC). This seems to suggest that the NP is not prepared to relinquish too much control over the determination of training policy at local government level.

The motivation behind the guidelines to councillors was that a number of mainly Black and a few Indian councillors had been involved in serious problems of misconduct such as corruption, inefficiency and illegal interference in the activities of administrative staff. A number of less sophisticated councillors did not know what their defined responsibilities were. There was accordingly a need to explain to such councillors precisely what their duties entailed. Furthermore, greater devolution of powers requires greater expertise on the part of councillors to handle greater powers and responsibilities. Self-study manuals were drawn up and sent to councillors by the Training Board for this purpose (RSA, Training Board, 1989).

There are also certain Management Development programmes which are offered jointly to officials and councillors. The reasons why management courses are also offered to councillors are, firstly, that it is intended to provide them with the background knowledge as to how local authorities should be run efficiently and effectively. Secondly, such courses are intended to facilitate better working relationships between officials and councillors (Interview with Western Cape Sub-Regional Committee Training Officer, 1991).

It has been argued that councillors are supposed to be lay people with general knowledge of local authority administration. Accordingly, provisions to train councillors to be specialists must be seen as an attempt by the government to impose its ideological stamp on the course

content of training programmes (Cameron, 1986A : 75-76).

While this argument is probably overstated in that there was a crucial need to provide councillors with background knowledge about the workings of local authorities, it is not without substance either. An interviewee said in 1990 that a training video for Black councillors could most certainly be construed as being supportive of the apartheid-based system of separate local government structures for different groups.

7.11 LOCAL GOVERNMENT AFFAIRS AMENDMENT ACT OF 1985

7.11.1 The Demarcation Board

The Local Government Affairs Amendment Act made provision for a multi-racial Demarcation Board. This was in line with the recommendations of both the President's Council and the Coordinating Council. This is a permanent body. It has a maximum of seven members who have a five-year term of office. All its members are appointed by the Minister of DCDP. Its main function is to advise the Administrator on the demarcation of the area of jurisdiction of both RSCs and PLAs; it has no executive powers. It has to undertake these functions in terms of the directives laid down by both the RSC Act for the establishment of RSCs and the Promotion of Local Government Affairs Act of 1983 for the creation of PLAs (RSA, Promotion of Local Government Affairs Amendment Act, No. 110 of 1985).

7.11.2 Final Decision-Making Powers for Management Committees/LACs

This Act also made provision for Management Committees/LACs to acquire final decision-making powers.⁸ To understand the reason for this it is necessary to trace the evolution of government policy towards these bodies in the 1980s.

After years of Management Committees'/LACs' frustration due to their lack of executive powers (see 4.7 Coloured and Indian Local Government), the government introduced measures to give these bodies greater say in policy affecting their areas. Directives issued in terms of the Promotion of Local Government Affairs Act of 1983 made provision for interim regulations to improve communications between White councils and Management Committees/LACs and to allow the latter bodies greater participation in their own areas (RSA, Regulations for the Improvement of Communication between Local Authorities and Coloured and Indian Consultative Local Affairs and Management Committees, Government Gazette No. 9490 of 9 November, 1984). However, this Act did not confer final decision-making powers on the committees; it listed seven regulations, at least one of which had to be adopted by White councils.

However, a number of White local authorities were tardy about adopting these regulations (see 10.5 ADMC/CCC Relations: 1984-1989). As a result, the Local Government Affairs Amendment Act also made provision for Management Committees/LACs to acquire final decision-making powers. This was not a conferment of separate municipal status. It in no way nullified existing provincial legislation which

gave the respective Administrators power to set up Management Committees/LACs. It was only an interim measure until the impediments to setting up Coloured and Indian local authorities had been addressed. Nor were these powers granted automatically. If a Management Committee/LAC wanted these powers it had to petition the respective Administrator, who in turn had to conduct an investigation to determine the feasibility of such a request (RSA, Promotion of Local Government Affairs Amendment Act, No. 110 of 1985).

A number of Management Committees/LACs requested final decision-making powers. There were, however, problems involved in the take-over of these functions. These problems were, firstly, that decisions of Management Committees/LACs could have financial and legal consequences which could involve their mother local authorities; and secondly, there was concern about the effect this fragmentation would have on the rendering of municipal services. The matter was investigated by a special Action Committee of the Coordinating Council and as a result 106 functions which could be delegated to Management Committees/LACs were listed in the Government Gazette in May 1988. These 106 functions are a comprehensive set of functions which, if delegated to Management Committees/LACs, would give them powers almost comparable to White local authorities without being divorced in toto from the municipality. Such powers include the allocation of new houses and eviction of tenants, appointment of Coloured and Indian staff, powers to make grants-in-aid, to approve building plans, to levy tariffs for

municipal services and property rates, etc. These powers are not delegated automatically. They depend on the willingness and capability of the respective Management Committees/LACs to perform such functions (RSA, Delegation of Powers to Coloured and Indian Management and Local Affairs Committees by Local Authorities, Government Gazette No. 11298 of 31 May, 1988).

At the end of the 1980s the Coordinating Council was still investigating:

- (a) the question of financial resources required for the proper functioning of all bodies, including Management Committees/LACs;
- (b) a formula for division of services between local authorities;
- (c) the allocation of resources generated in CBDs and industrial areas.

Because of these issues, the comprehensive takeover of functions and powers could not, in most cases, take place (RSA, House of Representatives, 1987 : 47; Debates of Parliament, 27/2/1989 : Col. 1772). (Also see 10.5 ADMC/CCC Relations: 1984-1989.)

7.12 TEMPORARY REMOVAL OF RESTRICTIONS ON ECONOMIC ACTIVITIES ACT OF 1986

In terms of this Act, the State President can either suspend or grant exemption from laws that he deems excessive barriers to the economic progress of persons engaged in industry, trade or occupation, or competition in these spheres, or the creation of job opportunities. The impli-

cation for local authorities is that the State President now had the power to suspend any local authority's legislation in this regard for a period of three years, by means of a proclamation without consulting and considering the local authority concerned (RSA, Temporary Removal of Restrictions on Economic Activities Act, No. 87 of 1986).

The former Administrator of the Cape, Eugene Louw, encapsulated the objective of this Act when he remarked that,

Deregulation is so vital to the creation of jobs that local authorities could not be allowed to frustrate the process. Devolution of power could, if not carefully carried out, enable local authorities to use new-found powers in such a way as to neutralise the goal of deregulation completely (Cape Times, 21/5/1987).

This Act was used against local authorities for the first time in February 1988, when the State President exempted a site in the industrial area of Kew in Johannesburg from certain licensing and municipal by-laws. The zone was exempted from, inter alia, the Labour Relations Act of 1956, Wage Act of 1957, The Basic Conditions of Employment Act of 1983, The Machinery and Occupational Safety Act of 1983 and the Factory, Machinery and Building Works Act of 1941 (SAIRR, 1987/88 : 624-625; and 1988/89 : 353-354). It was announced in September 1989 that the State President intended deproclaiming a further 22 industrial sites (SAIRR, 1988/89 : 354). In 1989 the State President

suspended the most restrictive licensing provisions in the four provincial licensing ordinances (SAIRR, 1989/90 : 587).

These developments seemed to suggest that the government regarded deregulation as a more important priority than devolution.

7.13 CAPE MUNICIPAL AMENDMENT ORDINANCE NO. 3 OF 1986

An amendment to the Cape Municipal Ordinance in 1986 gave the Administrator of the Cape power to remove from office councillors or even entire councils who, in his opinion, are responsible for or have contributed to the failure of a council to enforce or carry out the provisions of any ordinance, by-law, etc. and nominate a person of his choice as a replacement. He also has the power to withhold councillors' allowances (CPA, Cape Municipal Amendment Ordinance, No. 3 of 1986). The legislation was introduced to give the Administrator more powers to counter both liberal and conservative intransigence towards the Management Committee system. Although this is a Cape provincial ordinance and not a parliamentary Act, it is one of the most centralist pieces of legislation affecting local government in the 1980s.⁹ The Administrator now has unfettered discretion to fire democratically elected representatives.

7.14 LOCAL COUNCILS ACT, 1987

The Local Councils Act of 1987 (House of Assembly) was instituted for the benefit of the peri-urban areas that were left without representation after the dissolution of bodies such as the Divisional Councils and the Board for the

Development of Peri-Urban Areas. The Act made provision for the creation of Local Councils in White areas only. These councils are not equivalent to local authorities. They do not have the power to levy rates, make by-laws or to render services. These powers all reside with the Minister of Local Government, House of Assembly. The Minister has the power to assign the administration of a law to Local Councils. He also has powers on a wide range of local matters: he can establish Local Councils, decide on the election or appointment of councillors, the number of councillors, promulgate regulations in respect of aspects concerning such councils, etc. Such Local Councils also have representation on RSCs. These Local Councils, like local areas, were seen as developing bodies that should ultimately become independent local authorities. A number of Local Councils such as Constantia and Melkbos have subsequently been established (RSA, Local Councils Act, No. 94 of 1987).

While Local Councils are an improvement on the situation whereby jurisdictions such as ex-Divisional Councils local areas had no representation whatsoever, they are merely advisory bodies, similar in status to Management Committees. The extensive powers vested in the Minister mean that the autonomy of these bodies is highly constrained.

7.15 LOCAL GOVERNMENT AFFAIRS COUNCIL ACT, 1989

The government claims that to give effect to its policy of devolution of power, it was necessary to establish a Local

Government Affairs Council (House of Assembly) for the performance of functions previously undertaken by peri-urban bodies such as the Board for the Development of Peri-Urban Areas and the Divisional Councils in respect of White areas. This new body is based in Pretoria. Its members are appointed by the Minister of Local Government, House of Assembly, who also sets their service conditions. This council has the power to levy property rates, make by-laws, raise loans, enter into contracts and set service charges for such areas. The aim of such legislation was to coordinate Local Councils. A number of powers that were vested in the Minister were transferred to this umbrella body for local areas. However, despite government claims to the contrary, it is clear that this legislation is highly centralist in tone. An appointed body in Pretoria has the power to decide policy for local areas throughout the country (RSA, Local Government Affairs Council Act, No. 84 of 1989).

7.16 RURAL COUNCILS

The Regional Services Council Amendment Act of 1988 made provision for the establishment of Rural Councils outside the area of jurisdiction of local authorities. These Rural Councils were created on ethnic lines, such councils being established for each group in each region (with the exception of Blacks - the bill did not make provision for Black Rural Councils). The respective Own Affairs Department of Local Government Ministers had the responsibility for the establishment of these bodies.

Rural Councils can be vested and entrusted with the powers and duties which the Minister may from time to time identify. However, the Rural Councils do not have the power to make by-laws, render services or levy taxes (RSA, Regional Services Council Amendment Act, No. 49 of 1988).

It appears that the autonomy of Rural Councils is limited. Their primary objective seems to be to give rural (mainly farming) areas representation on RSCs,¹⁰ rather than to enhance democratic representation.

7.17 FREE SETTLEMENT AREAS AND LOCAL GOVERNMENT AFFAIRS IN FREE SETTLEMENT AREAS ACTS OF 1988

These Acts arose as a result of the President's Council's constitutional committee report on Group Areas in 1987, and was the government's response to the de facto 'greying', (i.e. when a large number of people who are not statutorily defined as White move into White group areas) of suburbs such as Hillbrow. The Free Settlement Areas Act provides for the ownership and occupation of property by all ethnic groups in certain areas. This Act establishes the principle of open residential areas. A Free Settlement Board was established and advises on which areas should be opened. Its members are appointed by the various state departments. The State President, the Own Affairs Ministers of Local Government, Administrators and local authorities can request an investigation into the opening of an area. The State President has the ultimate power to proclaim these areas, although the Minister's Councils have the right to veto any decision to establish a free settlement area in their group

areas. Any decision to open an area must be taken in consultation with the local authority affected (RSA, Free Settlement Areas Act, No. 152 of 1988).

What is of interest to this thesis is the centralist thrust of this piece of legislation when compared to the President's Council's recommendations. The latter body had recommended that decision-making in respect of free settlements should be taken by the municipality concerned in line with the policy of devolution of powers. The right of appeal to the Administrators should exist. Further, only White, Coloured and Indian local authorities and local residents could initiate an application to open an area (RSA, President's Council, 1987 : 114-118). However, the Act vested final decision-making powers with the various Ministers' Councils and made provision for central government representatives to initiate such applications. What were the reasons for this?

As pointed out previously, there had been the strong growth of CP-orientated local authorities. The government was determined not to allow such local authorities to undermine its reform policies. To give too much say to local authorities in this process could have led to the objectives of this Act being thwarted by conservative local bodies. Although local authorities still have to be consulted, the Ministers' Councils do not need the former bodies' explicit consent to open areas.

The Local Government Affairs in Free Settlement Areas Act establishes multi-racial bodies to represent residents

in free settlement areas. Such residents will be able to choose whether they want to participate in local authorities they previously voted in or in these newly created bodies which are also called Management Committees. They are identical in status and powers to Coloured and Indian Management Committees except that they are non-racial in nature. They only have advisory powers and can be overridden by their 'mother' White local authorities. They can, however, receive primary powers to make policy in their areas if these functions are delegated by the Provincial Administrator. The Administrator has the power to establish a joint committee consisting of an equal number of members of the local authority and management body which will discuss matters of common concern (RSA, Local Government Affairs in Free Settlement Areas Act, No. 103 of 1988).

It can also be seen that these new representative bodies were also rather circumscribed in autonomy. The reason for this control is to limit the pressure of the left (as opposed to problems on the right which led to the centralist clauses of the main Act). For the government, joint voters rolls were a giant step into the dark, hence the need for careful control of this new policy.

By the end of the 1980s, the Free Settlement Board was just beginning its investigations. In November 1989 parts of District Six in Cape Town, Country View in Midrand, Windmill Park in Boksburg and the Warwick Avenue triangle in Durban became the first four Free Settlement Areas in South

Africa (The Argus, 25/11/1989). No multi-racial Management Committees had, however, been created.

7.18 PROVINCIAL GOVERNMENT ACT OF 1986

At the 1982 Federal Congress of the NP, P.W. Botha noted that to give effect to self-determination in matters of both own and joint concern, the provincial system, if need be, would have to be adapted. Although it was announced in parliament during the second reading of the Republic of South Africa Constitutional Bill that its provisions in no way affected the role of provincial administrations (HAD., 16/5/1983 : Col. 7063), it was strongly evident that the provincial system was incompatible with the tricameral way of things which made provision for self-determination by three of South Africa's statutorily prescribed ethnic groups (White, Coloured and Indian). Only Whites could stand for and be elected to provincial councils. However, investigations showed that the costs of duplicating the bulky tricameral system in each province would be astronomical and hence unaffordable (Sunday Star, 18/5/1986). The other option, which involved retaining the present structure and integrating Coloureds and Indians into a common decision-making body, was taboo because it did not reflect ethnic differentiation, one of the cornerstones of the new system.

Hence, in 1985 it was announced in parliament by Minister Heunis that the provincial councils as elected bodies would be abolished in 1986 and would be replaced by multi-racial EXCOs appointed by the State President and

headed by the Administrators. Instead of being accountable to an elected provincial council, these EXCOs would now be directly answerable to parliament. Their terms of office would be linked to those of central government (HAD., 6/5/1985 : Cols. 4902-4909 and 12/5/1986 : Cols. 5346-5350).

Accordingly, the Provincial Government Act of 1986 made provision for this new provincial system which came into effect in July 1986. Under the new format the Administrators are vested with extensive executive powers. Although they are obliged to consult their EXCOs, they are not bound to heed their recommendations. The Administrator has the authority to amend an existing ordinance by means of a proclamation, provided such a proclamation has been approved by a parliamentary standing committee. Any new provincial legislation must in future be approved by parliament. The same applies to provincial budgets (CPA, 1987A : 2; RSA, Provincial Government Act, No. 69 of 1986).

Provincial councils are now responsible for the supervision of 'general affairs' which include control of the RSCs, provincial roads, horse racing, Group Areas permits and the Prevention of Squatting Act. Further, Development Boards, Transvaal Peri-Urban Boards and Divisional Councils have been (or, in the case of some of the latter structures, are to be) abolished in terms of the Abolition of Development Boards Act (also see 8.7 The 1984-1986 Urban Uprising Against BIAs) and their directorates placed under the functional control of the respective Administrators from July 1, 1986. Because provincial

administrations took over the functions of Development Boards, it became possible for the government to transfer a large portion of the administration and development of Blacks, which is a 'general affair', to the second tier of government. The DCDP still had overall responsibility for provincial policy; 86% of the provincial budgets came through the DCDP. The Minister of DCDP still met regularly with the four Administrators so that policy affecting provincial administrations could be formulated. The provincial secretaries also met regularly with senior DCDP officials (RSA, DCDP, 1987A : 5, 7; HAD., 6/5/1985 : Col. 4903).

The scrapping of the elected provincial councils and their replacement with nominated executive committees must be considered a highly centralist measure. The government claimed that these changes are the broadening of democracy because Blacks, Coloureds and Indians now have representation on provincial government. This is in one sense correct, but an elected body is inherently more democratic than a nominated one. Although the pre-1986 elected provincial councils were rather circumscribed in powers, there were at least some checks and balances between the powers of the elected councils and those of the appointed Administrators. The Administrator now has far more unfettered deconcentrated powers. At the time it was argued that the parliamentary standing committees would not be an effective check because of their lack of meticulous knowledge of provincial affairs. This seems to be the case

in practice. A Democratic Party (cited hereafter as DP) MP of the Cape Provincial Standing Committee called this system ineffective because of the lack of debating time set aside for provincial affairs. He termed the new provincial structures "a bureaucratic management organisation" (Interview, 1991).

Furthermore, as Heymans and Atkinson (1988 : 6-7) point out, provincial bodies are instruments for territory-orientated decentralisation rather than vehicles for ethnically-based devolution. This means that 'general affairs' bodies such as RSCs are being supervised by provincial bodies, while 'own affairs' bodies PLAs are constitutionally the domain of the respective Own Affairs Administrations. In mitigation it can be argued that, as with RSCs, provincial executives were an important beach-head in that for the first time at provincial level, symbolic multi-racial decision-making was occurring.

7.19 OWN AFFAIRS ADMINISTRATIONS

As pointed out, the Commission for Administration investigated what powers could be devolved horizontally to the respective Minister's Councils and on April 1, 1989 certain powers, that had been determined by the Republic of South Africa Constitution of 1983 as being 'own affairs', were transferred to the Department of Local Government, House of Assembly (Department of Local Government, House of Assembly, 1989).

There is also evidence suggesting that reformist-orientated DCDP officials on the project team which

investigated the issue of devolution managed to dilute the horizontal transfer of powers, because they saw this process as an extension of, rather than a move away from, apartheid structures. The formula that was worked out by the committee hinged on a single/multi-tier authority dichotomy. Single-tier authorities are Whites-only local authorities, while multi-tier authorities are local authorities which consist of representatives of different groups; viz. Whites, Coloureds and Indians. With single-tier authorities, all powers can be transferred to the White Department of Local Government Ministry, while with multi-tier authorities, a large number of functions still reside within the provinces because they are 'general affairs' functions affecting all the groups (RSA, House of Assembly, 1988; Debates of Parliament, 20/3/1989 : Cols. 3323-3324). Seeing that most local authorities, in particular the larger metropolitan bodies, are multi-tier bodies, this formula ensured that a great many functions still resided with the provinces. The dilution of the transfer of powers left right-wing elements within the government, parliamentary opposition and bureaucracy, fuming because they regarded the extension of 'own affairs' as a mechanism whereby group rights could be protected (Interviews with DCDP, CPA and Own Affairs: House of Assembly officials, 1990).

The House of Representatives and the House of Delegates refused to assent to the transfer of these horizontal powers to their administrations, seeing this arrangement as an extension of 'own affairs' and apartheid. Such supervisory

functions in respect of Coloured and Indian local bodies are still vested in the respective Provincial Administrators, although all measures still have to be carried out in consultation with the relevant Own Affairs Ministers (Debates of Parliament, 20/3/1989 : Cols. 3323-3325).

This means that the Department of Local Governments in the Houses of Representatives and Delegates do not concern themselves with the supervisory side of Coloured and Indian local government respectively. As will be shown in the case study in Chapter X, the Department of Local Government in the House of Representatives focused primarily on housing and infrastructure development. If a Coloured Management Committee is in dispute with its 'mother' White local authority about a certain issue, the Administrator, after consultation with the Minister of Local Government in the House of Representatives, will make a binding decision in this regard.

Another feature of the Own Affairs Administrations was the appointment of Ministerial Representatives in the respective Houses by the State President in March, 1987. These representatives were appointed in different geographical regions. The objective was to provide for the administration and management of 'own affairs' on a decentralised basis. A number of decision-making powers were delegated to these representatives by the respective Minister's Councils (The Argus, 17/2/1987; Cape Times, 19/2/1987; Citizen, 13/6/1987). These representatives must be considered the 'own affairs' equivalent of Administrators

at the second-tier level of government. They are, however, subject to the same criticism as Administrators: that they are centrally appointed and not accountable to the electorate.

7.19.1 Service Delivery

How have things changed constitutionally in respect of service delivery under the tricameral system? Housing is now controlled constitutionally by the Houses of Representatives and Delegates for Coloureds and Indians respectively. This function was previously controlled by the now defunct Community Development Department, which was divided into the various Local Government, Housing and Agriculture ministries.

Further, instead of one NHC providing funds and laying down standards for Whites, Coloureds and Indians, as was the case under the Westminster system, each House has its own commission carrying out these functions and also assisting with self-help schemes. The House of Representatives' commission is called the Housing Board and all local authorities that receive funds for Coloured housing have to go through this body. Functional control of housing is carried out by local authorities on an agency basis for the Department.

7.20 DEPARTMENT OF FINANCE MACRO-CONTROL

In June 1981, as a result of one of the recommendations of the Browne Committee, the cabinet gave instructions that the Department of Finance should assume overall control over

local authority expenditure. This was introduced in 1982 (Croeser, 1988 : 1 [see 6.3.2. CWG]).

What was the position prior to 1982? Capital expenditure had been controlled by the Minister of Finance, who determined an annual growth percentage with allowances for special circumstances (RSA, Browne Committee, 1980 : 142). Control over operating expenditure was exercised by the respective provinces. Although there was no growth percentage level, local authorities could not exceed a maximum levy in the Rand without the Administrator's approval (Craythorne, 1990 : 356-357).

To give effect to this new policy the Department of Finance set a letter to all local authorities in the country, in which it announced:

- i. The Department had to exercise overall financial control over the total expenditure of local authorities with the view to bringing about better coordination of public sector spending in the national interest.
- ii. In addition to existing controls over capital budgets of local authorities, operating accounts also had to be sent to the Director of Public Finance before the start of each financial year for overall consideration and approval.
- iii. The purpose was not to create a complicated new control structure, but in the interests of discipline in overall public sector spending it was necessary to ensure that all local authorities, in particular the

larger units, kept their patterns of expenditure within set norms.

The funds obtained from the Department of Community Development (later divided into the three Own Affairs Administrations after the introduction of the tricameral system) for housing were not included in the limit, since the Department of Finance already exercised control over the allocation of funds to the former Department (Department of Finance, 1982).

The Public Finance Branch of the Department of Finance assumed overall responsibility for macro-economic control over local authorities' budgets. However, specific control was exercised by the Chief Directorate: Intergovernmental Relations and its sub-unit, the Directorate: Local Government Relations (Interview with Gerhard Croeser, 1989).¹¹

7.20.1 Determination of Limits

How are limits determined? In the 1982 circular much emphasis was laid on the need to control public sector spending in order to curb inflation and to prevent balance of payments problems (Department of Finance, 1982). In a 1986 article, Deputy Director-General of Finance Gerhard Croeser argued further that in the formulation of fiscal policy, expenditure and income of all tiers of government had to be taken into account to ensure that the general government's share in the economy did not increase to the detriment of a usually more productive private sector which supplied the tax base. On the expenditure side, the

specific nature of spending is examined within the framework of government's priorities when drawing up controls (Croeser, 1986 : 4). Such controls are often used as a tool to pursue certain national objectives. For example, in 1984 it was a major macro-economic objective to fight unemployment. Accordingly, local authorities could exceed the Department's capital limits if such projects were creating job opportunities (Cape Times, 13/4/1984).

On the income side, attention was paid to the total tax burden in the economy, which means that the burden imposed by local taxes must be taken into account when drawing up limits. Consideration was also paid to the monetary policy function of the Department to ensure that the total demand of the capital market by borrowers in the public sector does not put unnecessary pressure on the interest rates and that loans for long-term projects are satisfied by means of capital market sources. This objective is achieved by ordering and arranging borrowers from the public sector, including local authorities, access to the capital market and by approving the conditions upon which these loans may be raised. Furthermore, an attempt is made to ensure that current expenditure is not financed by means of loans. This aspect also includes supervision of the raising of loans overseas by the public sector (Croeser, 1986 : 4).

7.20.2 Financial Control Procedure

The control procedures function according to a specific format:

The Department of Finance sends a circular to each local authority before 1 July (the beginning of the book-year) in which:

- i) an exposition is given of current economic circumstances;
- ii) the prescribed limit is laid down;
- iii) a request is made for the submission of budgets;
- iv) criteria for ad hoc applications and possible contraventions of the limits are listed.

A copy of the letters is sent to the respective provincial Departments of Local Government, with an instruction to impose financial discipline on local authorities and to watch out for unhealthy practices such as when operating expenditures exceed available revenue; tariffs and rates increase excessively and where interest and interest redemption in respect of loans are too high. One senior Public Finance official described the provinces as "the eyes and ears" of the Department of Finance.

When it comes to operating expenditure, six or seven items are controlled by the Directorate, of which salaries and wages (which should be approximately 30%), capital redemption and interest payment (which should be about 25%) and electricity receive major consideration. If satisfied with the operating and capital estimates, the Department will approve the budget. If not, the local authority will have to make certain revisions to its budget (Interview with senior Department of Finance official, 1989).

Emergency capital development is dealt with on an ad hoc basis. The exceeding of operating limits is considered when local authorities are faced with extraordinary capital developments. Local authorities must show that this is not going to lead to drastic tariff or rate increases (Croeser, 1988 : 4-5).

Upon completion of the book-year an evaluation is taken of the actual results of such controls. Explanations of over and under-expenditure are requested if there is a deviation of more than three percent or R500 000 from the original estimates. The Auditor-General¹² is also involved in this process in that he must check out discrepancies between approved and actual estimates. He will bring any irregularities to the attention of the province and the local authority concerned (Croeser, 1988 : 4-5).

In Chapter IX an analysis will be made of how these financial controls have affected the autonomy of the CCC.

7.21 VOTERS' CONTROL

As pointed out (in 6.9 Devolution of Power: The Policy Process) voters' control was an important principle underpinning the devolution policy. Minister Heunis said that "devolution of decision-making authority can only become real once communities take part in the decision-making processes that affect their interests, also at local level" (Debates of Parliament, 1988 : Col. 15148) and that only once there was sufficient voters' control of councillors and councils could there be less administrative control by higher authorities (Network, 27/10/1988).

There were a number of manifestations of this policy. Measures such as pension schemes, greater remuneration for councillors and the training guidelines for councillors were intended to create a better calibre of councillors. Another prong of this policy was to create a better-informed electorate. A campaign to inform people about the functioning of local authorities coincided with the 1988 municipal elections. The Bureau of Information embarked on a R4,7 m advertising campaign in order to inform the electorate (the Black, Coloured and Indian communities in particular) about the activities of local authorities and to persuade people to vote. Voters' control had traditionally been rather problematic among Blacks, Coloureds and Indians because of rejection of apartheid structures in these communities. Although there were slightly improved polls in 1988¹³ it is doubtful whether they were high enough to say that voters' control exists effectively. In any event, as pointed out (in 2.3.3. Responsiveness/Efficiency) the whole principle of voters' control generally is rather suspect, given large-scale ignorance and apathy about local government and the tendency for local elections to be decided often by national issues.

7.22 EVALUATION OF STATE STRATEGY

One of the reasons for the fact that the new local government legislation contained a great many measures which reflect centralisation, deconcentration and delegation rather than devolution is that there appeared to be a certain amount of misunderstanding amongst policy-makers

about what exactly devolution entails. NP politicians sometimes called any transfer of power away from the centre "devolution". (Minister Heunis has said this on more than one occasion, see HAD., 12/5/1986 : Col. 5349 and Interview, 1989). As pointed out (in 6.10 Objectives of Devolution) one of the principles underlying this devolution policy was that central government and its departments should be vested primarily with general policy and monitoring functions, while government functions should as far as possible be carried out at the lowest level of government. This is in fact delegation and deconcentration of the administration and execution of functions to local level.

This control is sometimes justified on the grounds that in a unitary state central government is responsible for final legislative authority (Thornhill, 1985 : 18). However, as pointed out (in 2.4 Federalism vs. Unitarism) extensive devolution of power is not inconsistent with a unitary constitution. This misunderstanding goes some way towards explaining why legislation such as the Regional Services Council Act, Remuneration of Town Clerks Act and Free Settlement Areas Act, contain measures which ensure that central government retains a great deal of say over local authorities' activities.

A related question is why exactly does central government wish to have a great deal of say over local government activities? One major reason is strategic. As pointed out (in 2.9 National Unity) a number of observers have argued that insecure governments with a narrow basis of

legitimacy will be reluctant to devolve powers to local authorities because of the fear that they may be building up centres of opposition to their own rule.

Accordingly, one of the major features of the NP's limited reform programme of the 1980s was to ensure careful control of these evolutionary measures. Minister Heunis said that he "considered government reforms to be managed change which must be controlled and orderly" (South African Television channel 2 [cited hereafter as SATV2] interview, 16/7/1987). As pointed out (in 6.1 Introduction) the need to keep control was motivated by concerns to out-manoeuvre both left and right-wing groupings opposed to NP policy. On the left, the concern was the growth of the extra-parliamentary movement, and in particular the formation of the United Democratic Front (cited hereafter as UDF) in the early 1980s. The establishment of RSCs and the creation of new BLAs meant there was going to be a proliferation of new structures at regional and local level. The government had no intention of allowing such bodies to be captured by groupings who would use these local structures to undermine central state structures or to propagate social welfare policies that would impede capitalist accumulation (Cameron, 1986A : 78-79; 1988B : 60).

Another concern on the left was the resistance of certain White liberal local authorities (the CCC in particular), which were opposed to apartheid fragmentation at local level. For example, the CCC had refused to promote Management Committees in the way the state had wished,

because it regarded them as apartheid bodies that had been imposed on the council (see 10.4 ADMC/CCC Relations: 1980-1984). Some of the centralising tendencies can also be ascribed to the government's attempts to overcome this intransigence and to ensure the successful implementation of its new local government policy.

Regarding the right, the concern was to neutralise right-wing opposition to limited power-sharing. This became of crucial importance after the growth in numbers of CP-controlled local municipalities which were attempting to re-introduce petty apartheid and in so doing were undermining the government's reform programme. This was unacceptable to the NP. Heunis said that "the government would not tolerate the sabotaging of its policies by town councils. Through their defiant actions the CP town councils can prejudice the transfer of more authority to local authorities" (The Argus, 1/12/1988). The Free Settlement Areas Act is a good example of policy that was framed in a way to neutralise the activities of right-wing municipalities.

It has been suggested that the government was pursuing contradictory policy objectives. Either it could allow devolution of power and face the prospect of independent political groupings promulgating alternative policies at local government level, or there could be an attempt to retain strong control over local authorities, ensuring a uniformity of policies and compliance with government wishes. The attempt to do both had inherent limitations (Cameron, 1986A : 78-79).

Another motivation for centralised legislation was the viewpoint based on the United Nations argument (see 2.12.2 History of Decentralisation) that this developmental process has to be carefully steered. As ex-Chief Director of DCDP, F. Cloete (1984 : 44), argued:

In developing societies full devolution of powers is normally counter-productive because of a lack of sufficient skills, experience and finances on the lower levels of government. In these situations strong initiatives from the central government level are normally still required to maximise the developmental goal.

This concern was reflected in a number of Acts. For example, the Remuneration of Town Clerks Act and the Training Act gave central government a great deal of say in the development of human resources at local government level.

It was suggested by the government that this centralisation for purposes of developmental objectives is only transient. The argument was that it may be necessary to centralise power in the interim in order to lay the institutional and organisational basis for the creation of more decentralised powers in the future. This was necessary for the sake of uniformity among racial groups, which was an important premise underpinning local government reform. It was also deemed necessary to consolidate local government powers so that the DCDP could actively promote the developmental process in the way they wished. This entailed breaking up local fiefdoms which could have resisted

development changes. Development cannot be steered in a decentralised way. The grading system makes it possible to devolve powers to local authorities on the basis of capabilities in the future (Heymans and Atkinson, 1988 : 9; Natal Mercury, 10/4/1985).

The Remuneration of Town Clerks Amendment Act is held up as an example of this process. The powers in respect of town clerks service benefits were originally centralised in the person of the Minister of DCDP. Once the institutional foundation for the orderly control of this function had been laid, it was possible to transfer powers to a Board consisting of local government representatives. However, as pointed out, the Board can only set service conditions within certain parameters laid down by central government. Also, South Africa has a long way to go before there are sufficient skills, experience and finance in poorer Black, Coloured and Indian areas to permit extensive devolution of powers to these local authorities. In any event, in the last instance, strategic reasons remained a brake on this development-inspired devolution in the 1980s.

Another reason for control was macro-economic objectives (which was discussed in 7.20 Department of Finance Macro-Control). As Croëser (1986 : 6) pointed out:

Since local governments play such an extremely important role in the total economy, it is essential that the economic and financial decisions taken at local government level must be in line with the agreed economic strategy and objectives of the country as a whole.

The view of the Department of Finance is that local government expenditure, if left unchecked, can lead to excessive inflation and may break the back of the South African economy. Part of the motivation for this viewpoint is that local authorities are inefficient, an argument which was forcefully expressed by the Browne Committee. This determination to monitor local government expenditure closely is reflected in the financing of RSCs, whereby the levies are set by the Minister of Finance and not these local bodies themselves.

7.23 CONCLUSION

This chapter examined the main features of local government legislation in the 1980s. It was argued that despite the government's commitment to devolution of power, a great deal of this legislation reflected elements of centralisation, deconcentration and delegation. There appears to be a certain amount of confusion among policy-makers as to what devolution actually entails. The major reasons for this attempted continued control of local authorities were:

- governments under threat are reluctant to devolve powers to local authorities because of the fear that they may be building up centres of opposition to their own rule;
- there was the belief that the developmental process had to be carefully steered from the top;
- certain financial control was maintained for macro-economic objectives;

- there was the viewpoint that in a unitary state there had to be a reasonable degree of higher tier control over local authorities.

CHAPTER VIII

BLACK LOCAL AUTHORITIES IN THE 1980S

8.1 INTRODUCTION

This chapter traces developments in Black local government in the 1980s. It concentrates primarily on the recommendations of commissions and the content of legislation in the 1980s, and how this affected the functioning of BLAs on the ground. The state's objectives in respect of new local government policy initiatives have already been discussed (see 6.2 Total Strategy) and will not be repeated in detail in this chapter. It looks at the Riekert Report's recommendations that certain Blacks be given permanent urban rights and how the government's acceptance of this had as a corollary the upgrading of Community Councils into BLAs with more extensive powers. Another consequence of this policy shift was the conversion of Administration Boards into Development Boards whose aim was to develop Black areas until they could function as autonomous BLAs.

The chapter goes on to examine the failure of BLAs and violent resistance to these structures in the period 1984-86. Other manifestations of this insurrection were rent boycotts and peoples' power, which are also analysed. The state's response to this uprising included reformist measures such as the bringing of Blacks into mainstream local government development, including RSCs; the abolition of influx control and the scrapping of Development Boards. It also involved repressive measures such as the State of

Emergency, the smashing of opposition to BLAs, and security force influence through JMCs on policy of certain of these local structures. These developments, too, will be assessed.

The chapter also analyses the 1988 municipal elections and the implications thereof and concludes by looking at further attempts to devolve powers to the BLAs in the late 1980s.

8.2 RIEKERT COMMISSION

The Report of the Riekert Commission was released simultaneously with the government's White Paper in 1979. Riekert's recommendations were to have far-reaching implications for Black local government in the 1980s.¹

Riekert's brief was to investigate the extent to which labour markets were regulated and controlled by the state. Influx control had proved an impediment to the creation of a skilled and stable work force and had accordingly led to a severe shortage of skilled labour. It has also proved ineffective as a means of keeping Blacks out of so-called White areas. The report, along with Wiehahn's investigations into industrial relations, must be considered as the most sophisticated elements of 'Total Strategy' with respect to Blacks (see 6.2 Total Strategy). Riekert recommended that the Black holders of 10(1)a-c rights would qualify as permanent urban dwellers, while tighter influx controls would be applied against the holders of 10(1)d rights (see 5.2 Local Government and Black Labour). It was an attempt to divide more privileged 'insiders' against disqualified

'outsiders'. It was estimated that these 'insiders' comprised not quite half of the urban Black labour force. 'Insiders' could move from one White urban area to another, depending on the availability of housing and employment. It also recommended the dropping of the 72-hour restriction for qualified Blacks. From the state's perspective, 'insiders' would satisfy employers' requirements for labour stability and by giving them a stake in the system (through, for example, home ownership), it was hoped that this privileged group would act as a buffer between Whites and disqualified Blacks (Saul and Gelb, 1981 : 63-68; Nusas, 1982; Welsh, 1982 : 107-109; Bekker and Humphries, 1985 : 28-29; Stadler, 1987 : 96-100).

Because Black labour was so inextricably linked with urbanisation, Riekert's brief included an analysis of local government structures operating in Black areas. The report was particularly scathing of Administration Boards. There was overwhelming evidence that the labour service bureaus had not improved under Administration Board control. This had led to problems of labour stability. The report stated that officials were often "more concerned about (influx) control than the rendering of services to the employer and employee" (RSA, Riekert, 1979 : 198-199).

The Report also pointed to the fact that three bodies, viz. Community Councils, the DCDP, and Administration Boards, were responsible for the administration of Blacks in urban areas. This was expensive and led to overlapping and confusion. It accordingly recommended that there was a need

for rationalisation of these structures² (RSA, Riekert, 1979 : 203). It did not make any recommendations regarding the financing of urban Black structures because this was being done by the Browne Committee (see 6.3.1 Browne Committee) (RSA, Riekert, 1979 : 201).

The government's White Paper accepted these major recommendations affecting influx control and the administration of Black urban areas (although they did not accept the recommendation that the labour restriction for qualified Blacks be dropped [RSA, White Paper on Manpower, 1979]). Despite acceptance of the permanence of urban Blacks, national political representation still had to be exercised through Homelands. However, the government now floated the concept of the 'Constellation of States', broadly based on the EEC, whereby separate political development was combined with economic cooperation (Saul and Gelb, 1981 : 46-58).

Coinciding with this publication of Riekert and the White Paper, the number of Administration Boards were rationalised from 22 to 14. The reasons for this were to improve the physical mobility of urban Black workers and to dovetail with the greater role Boards were going to play in the development of Homelands (Bekker and Humphries, 1985 : 31).

The government's embodiment of Riekert's recommendations came in the form of three bills introduced to Parliament by the Minister of DCD, Dr Piet Koornhof, in October 1980. These bills dealt with the upgrading of

powers of Community Councils, rationalisation of Administration Boards and the modernising of influx control respectively. Despite being heralded as a 'New Deal' by Dr Koornhof, closer examination of the latter bill revealed that influx control was in fact being tightened. It was widely conjectured that conservative bureaucrats within Koornhof's Department who were still wedded to Verwoerdian ideals had deliberately sabotaged the reformist direction of that bill (Hudson and Lacey, 1983 : 104).

There was massive protest against the bills. The UDF, a united front consisting of representatives from, inter alia, student and youth organisations, trade unions, civic movements, political, religious and women's organisations, was specifically formed to oppose the Koornhof Bills (and the tricameral system) (Swilling, 1987 : 3). Big business, seeking a more stable urban labour force, also protested vociferously against the proposed new legislation. Dr Koornhof, realising that he had been deceived by his own officials, withdrew the bills and referred them to a commission headed by Judge Grosskopf, whose brief was to try and adapt them to the content and spirit of the Riekert Report. The revised bill then went to the Select Committee on the Constitution where representations were made by interested parties. The Urban Foundation, which was formed by major capitalist interests in the wake of the 1976 uprisings, to improve the quality of life in urban communities, gave substantial evidence to the Committee (HAD., 11/6/1982 : Cols. 9354-9356). These three bills re-

emerged in 1982. While two of them resulted in legislation (which will be discussed later) the bill in respect of influx control again met with strong business and union pressure and was referred to another Select Committee. The reason for this resistance was that this bill showed the same draconian content and intention as its 1980 predecessor (Hudson and Lacey, 1983 : 106-108).

By this time, according to Grest and Hughes (1983, 126-129), Community Councils had all but collapsed due to their limited powers, lack of financial resources and low level of legitimacy (see 5.6 Community Councils). However, the already low legitimacy of councils plummeted even further when they raised rent and service charges, with civic associations mushrooming throughout the country to protest against these increases (Bloch, 1982 : 64).

One of the main cogs of 'Total Strategy' was to defuse conflict by removing the central government from the firing line in urban Black areas (see 6.2 Total Strategy). Community Councils were intended to be safety valves through which urban grievances could be articulated, but for the reasons outlined they failed to achieve this objective. The remedy lay in the introduction of Black local authorities with more extensive powers (Bekker and Humphries, 1985 : 111-112). The obverse of this strategy would involve the phasing out of unpopular Administration Boards.

8.3 BLACK LOCAL AUTHORITIES ACT OF 1982

The Black Local Authorities Act, No. 102 of 1982, introduced a municipal code mainly based on the principles of the

Transvaal Local Government Ordinance. The Minister of DCD, Dr. Koornhof, said when he presented the bill in parliament that this piece of legislation was actually one of a trilogy of three bills which "actually complement each other and form a whole" (HAD., 11/6/1982 : Col. 9344). The other two were the Black Communities Development Bill, dealing with the upgrading of Administration Boards, and the Orderly Movement Settlement of Black Persons Bill, dealing with influx control. Act No. 102 made provision for two main categories of local authorities; viz. Village Councils and Town Councils. Village Councils were to have varying powers and responsibilities according to their ability to perform their relevant functions. Town Councils (unlike Community Councils) were automatically to have all the powers of the Act vested in them. Whether a Village or Town Council was to be established depended on the capabilities of the respective areas. Provision was also made for Town Councils to be upgraded into City Councils. Community Councils did not automatically become Town or Village Councils. Only when a local authority was established for the area would it replace the existing Community Council. Accordingly, the Community Council Act would not be abolished until all Community Councils had been replaced by these new structures (RSA, Black Local Authorities Act, No. 102 of 1982; and HAD., 11/6/1982 : Cols. 9345-9346).

The structure of Black local governments would approximate those of White local authorities in that provision was made for a town clerk, mayor, executive committee and

secretary. BLAs would have the ability to appoint their own staff, standing committees and to create their own departments. A Director of Local Government in the DCD was to be responsible for the implementation of Black local government countrywide and would also exercise indirect supervisory control over their activities (RSA, Black Local Authorities Act, No. 102 of 1982).

The Act gave Black Town Councils powers and functions which were substantially more than Community Councils but not quite as comprehensive as White local authorities. Among their more important functions were parks and public resorts, sports and recreational facilities, library services, museums and botanical gardens, the construction and maintenance of housing, regulation of street trading, health, water, electricity, rubbish removal, sewerage disposal, cemeteries, the renting of council houses, prevention of illegal squatting, roads, welfare services, and the allocation of trading sites. Subject to the consent of the Minister of Law and Order, they could also appoint their own police force.³ Bekker and Humphries (1985 : 115) pointed out that BLAs assumed control of influx control insofar as permanent rights were related to availability of housing; e.g. only they could legally allocate housing to legal residents.

There was the omission of certain traditional White local authority functions such as public transport, abbatoirs, aerodromes, fire services and ambulances, township planning, creches and nursery schools. However,

Section 24 of the Act made provision for the State President to add to the powers of a BLA by notice in the Government Gazette (RSA, Black Local Authorities Act, No. 102 of 1982).

BLAs' powers included the setting of levies for service charges, the making of by-laws, issuing proclamations, the opening of their own treasuries, drawing up budgets, borrowing and investing of money, the making or accepting of donations, owning immovable property and entering into commercial transactions in respect of such property.

What was the relationship between BLAs and Administration Boards? Section 25(2) of the Act specifically provided that if a BLA is at any stage charged with a right, function, duty or obligation, the Administration Board shall be divested or relieved of that power, right, function or duty. This meant that the Boards' role in respect of Town Councils would be limited to assistance in policy implementation (if so desired). In the case of Village Councils or Community Councils, the Boards would continue to perform those functions that the Minister had not yet transferred to these bodies. Boards would continue to operate as local authorities in areas where advisory local committees were established (Bekker and Humphries, 1985 : 114).

The Minister of DCD had control over a wide range of BLA activities. On the one hand, there were powers that were akin to traditional indirect provincial controls of local authorities, such as the approval of by-laws and budgets, the issuing of proclamations, the power to establish councils (upon request of the Community Council

concerned) and to determine their area of jurisdiction (RSA, Black Local Authorities Act, No. 102 of 1982).

The Minister also had more substantial powers of a direct nature. He could order local authorities to make by-laws or take action in instances where he felt they had frustrated an objective of the Act by failing to exercise any function assigned to them, or were guilty of mal-administration. If a local authority failed to carry out such an instruction the Minister might rectify the situation or order another person or organisation to do so. If, in his opinion, the need for them no longer existed, he had the power to sack councillors or even entire councils. Finally, he could intervene when he felt that the finances of a local government were unsound (for example, where a local government, in his opinion, failed to agree to adequate charges for municipal services). If a local government failed to heed his instructions in this regard, he could disband it (RSA, Black Local Authorities Act, No. 102 of 1982; Riekert, 1983 : 150-151).

The Minister also had certain control over the conditions of service of BLA employees. The Chief Executive of a BLA could not be removed from his post or have his remuneration reduced without consent of the Minister (RSA, Black Local Authorities Act, No. 102 of 1982).

Bekker and Humphries (1985 : 113-114) suggest that there are three reasons for these potential controls by the Minister:

1. The lack of experience of both officials and councillors meant there was a need for promotional control; viz. close central direction and guidance (see 3.7 Hierarchical Relations).
2. There was the concern that local authorities would be used as instruments to attack the central state. This would run counter to the government's objective of defusing conflict to local government level.
3. There was the need for control over financial resources to ensure efficient financial management.

8.3.1 Finance

The Browne Committee had not recommended any major sources of new income for Administration Boards and Community Councils. It had merely recommended that "appropriate measures of Black peoples' needs and ability to pay be calculated and kept under constant review" (RSA, Browne Committee, 1980 : 106) and suggested certain measures such as the encouragement of home ownership and recommended that 20% of liquor profits that were being paid to the DCD be retained by the Boards. With the whole report being referred to the CWG, these recommendations were not implemented. Yet even if they had been it would not have made much difference to the massive deficits that Administration Boards were incurring. In the 1981/82 report the aggregated deficit of Administration Boards was R12 367 571 (Bekker and Humphries, 1985 : 132).

It was therefore surprising that no extra sources of income were provided for the financing of these new Black

local governments, especially since the principle of financial self-sufficiency which applied for White local authorities was to apply equally to their Black counterparts. BLAs were to rely on rent and service charges as their primary sources of income. Sorghum beer/liquor and employees levies were to remain Administration Boards' sources of revenue, although they were intended to use some of this money to subsidise BLAs. The rationale for this omission, according to Dr Koornhof, was that the CWG was still reviewing the Browne Committee's recommendations (HAD., 11/6/1982 : Col. 9349).

Despite the warnings of the then official opposition (the PFP) that Black local government could crumble because of the lack of adequate finances (HAD., 11/6/1982 : Col. 9359), the government passed the bill without any additional financial resources. The reason for the urgency has already been pointed out. There was a need to defuse conflict at local level. Community councils with limited powers were patently inadequate for this purpose, hence the need for BLAs with more comprehensive powers.⁴ Measures were, however, taken to ensure that BLAs had at least certain qualified staff. Provision was made for the secondment of Administration Board officials to BLAs, subject to the consent of the latter body. Provision was also made for the transfer of Board officials to BLAs subject to the approval of both latter body and the Minister (RSA, Black Local Authorities Act, No. 102 of 1982).

8.4 THE INTRODUCTION OF BLACK LOCAL AUTHORITIES

The upgrading of Community Councils took place in three phases. The DCD conducted a comprehensive investigation to determine which Councils should be upgraded. Local authorities were graded in terms of certain criteria. Factors which were taken into consideration included financial viability, infrastructure, community amenities, the number of houses in a township, population, the amount of trade and commerce in the township, availability of staff for a local authority, extension plans for the township and whether the people in the township would accept these new local authorities. Townships which scored 70 points or more in terms of the DCD's formula qualified for the first round of the elections. The second phase for which the cut-off level was 50 points, incorporated 84 community councils and was due to start in 1984, while the third phase was to begin two or three years later (Financial Mail, 21/10/1983).

In November/December 1983 the first elections to create Town and Village Councils were held. Twenty-four Town Councils and five Village Councils (mostly in the Transvaal) of the 232 Community Councils were initially earmarked for upgrading. Despite having more powers than their predecessors, the average poll was 21% against the 27,8% in 1978 and this despite the fact that the age limit had been lowered from 21 to 18 (Financial Mail, 16/12/1983; Töttemeyer, 1984 : 62).

What were the reasons for the low polls? There was a boycott by a number of extra-parliamentary organisations including the UDF, Inkatha and Azapo. There also appeared

to be mass apathy, lack of interest and ignorance. Further, the retention of Administration Boards, which were to exist in tandem with these new Black councils, meant that the new structures were tainted by association. Finally, there was this lack of an adequate tax base. Although the CWG's report recommending additional sources of revenue (see 6.3.2 CWG) had been released, the government had not yet acted upon it. It seemed that a number of Blacks did not vote because they felt that the new councils lacked the financial resources to 'deliver the goods' (Financial Mail, 9/12/1983, 16/12/1983; Töttemeyer, 1984 : 62-63).

This lack of finance was to prove an immediate problem. Already in January 1984, the month in which BLAs were inaugurated, the mayors of Soweto and Alexandra claimed that their limited sources of revenue (mostly rents and service charges) were insufficient to make their administrations viable (Financial Mail, 20/1/1984). In April it was reported that all of these councils were running on large deficits, with Soweto's amounting to R2,3 million a month (Financial Mail, 27/4/1984).

8.5 THE PRESIDENT'S COUNCIL'S REPORT

Blacks were specifically excluded from the President's Council's brief; viz. the investigation into a new constitutional dispensation at central, provincial and local level.⁵ The Report on local and regional government nevertheless made some observations on Black local government in White areas. It pointed, inter alia, to the shortage of trained Black local government staff and recommended that

attention be given to the training of officials and information courses for councillors (RSA, President's Council, 1982A : 99-100).

Blacks were accordingly excluded from the Republic of South Africa Constitution Act of 1983. Section 93 of the Act did, however, state that the control and administration of Black affairs shall be vested in the State President. In terms of the new constitution, the administration of urban Blacks was deemed to be a 'general' affair. Although certain Blacks were now recognised as permanent urban dwellers, the government had not yet moved to a position where it was prepared to give urban Blacks some form of central representation in White South Africa. The 'Constellation of States' idea had been still-born because of opposition from neighbouring countries. There had been a shift towards the concept of a 'Confederation of States' in which South Africa along with independent and self-governing states would participate. The government envisaged that city states for some urban Black townships should join this confederation (Maré, 1983 : 79-80). In addition, at the beginning of 1983, the government had appointed a special cabinet committee to investigate the rights of urban Blacks outside homelands (Grest and Hughes, 1984 : 46).

8.6 BLACK COMMUNITIES DEVELOPMENT ACT OF 1984

The Black Communities Development Bill was tabled in early 1982. It was referred to the Standing Committee on the Constitution and did not re-emerge until 1984. The Act upgraded Administration Boards to Development Boards. In

line with Riekert's recommendations, their functions changed from being local authorities to state development agencies. As the Deputy Minister of the DCD, Dr George Morrison, put it, "the functions of a development board have been formulated in such a way that the emphasis is placed more on development than administration" (HAD., 6/2/1984 : Cols. 415-416). Accordingly, one of their major functions was to oversee local authorities until they could function autonomously.

These Development Boards had the power to carry out the functions of a local authority where no Village or Town Council had been established. Where such councils had been established these boards would cede their functions to them. They remained responsible for development functions, township and housing development. They remained subject to the external control and direction of the DCD. Boards did not have the power to make by-laws although the Minister had the power to promulgate regulations on their behalf. They had the power to delegate any of their powers or duties to a local authority in their area. Alternatively, boards could (subject to the consent of the Minister) perform functions on an agency basis for local authorities in their area. They could also act on an agency basis for any government department. Finally, the boards were to continue with the implementation of influx control (RSA, Black Communities Development Act, No. 4 of 1984).

The Development Boards took over all the assets and liabilities of Administration Boards. This must be seen in

the light of Administration Boards' aggregated deficit of R27 477 550 at the end of the 1982/3 financial year (SAIRR, 1984 : 165). The Act established a Black Communities Development and Revolving Fund which was to be administered by the Director-General of DCD. The purpose of these funds were to make advances to Black persons, boards or local authorities for the better development of land occupied by Blacks and generally to assist and develop the wellbeing of Blacks (RSA, Black Communities Development Act, No. 4 of 1984).

The Minister had extensive powers over the functioning of the Act. He was empowered to notify boards to perform any act which in his opinion they had failed to perform, and in the event of failure, to assume the rights and powers to perform the functions of the boards. If the finances of the board became unsound, the Minister could take steps to improve them or he could dissolve the boards. He could withdraw any powers that he had originally granted to the boards. He also had powers over a number of aspects of township development generally (RSA, Black Communities Development Act, No. 4 of 1984).

The gradual withdrawal of boards from local administration and their shift of emphasis towards development was seen as a further step towards giving BLAs extensive powers over their own activities.

8.7 THE 1984-86 URBAN UPRISING AGAINST BLACK LOCAL AUTHORITIES

The 1984-86 Black urban uprising occurred on a number of fronts including local government, education and labour. It was, however, the assault on Black local government which was the main thrust of this insurrection. The shortage of revenue of BLAs has already been pointed out (see 8.4 Introduction of BLAs). The state was not prepared to offset this by increasing the level of subsidisation. Thus, to finance township services BLAs were forced to increase rent and service charges (in some cases up to 100%). This inflamed residents already battling to make ends meet during the severe recession that was occurring. It was pointed out (in 6.2 Riekert Commission) that many civic organisations had been formed to fight rent increases by Community Councils. These civics mobilised around local political issues, in particular housing grievances, and mushroomed in the 1980s. Many of the campaigns against rent and service increases were organised by mass-based civics affiliated to the UDF (Swilling, 1987 : 13; Seekings, 1988 : 202-205).

What precipitated the uprising was a rent increase announcement by the Lekoa Town Council, which encompassed five Vaal Triangle townships. Protests against these rent increases were led by local civics and this escalated into violence in a number of these townships. This pattern of unrepresentative BLAs increasing rent and service charges only to be met by civic-coordinated township resistance, which in turn often led to violence, repeated itself in many townships in the country.⁶ Such violence often took the

form of physical attacks on councillors. Popular resistance also led to the resignation of many councillors and the collapse of certain BLAs.⁷ It was claimed in a press report in July 1985 that only five out of the 38 established BLAs were effectively functioning (Swilling, 1987 : 14-16; Seekings, 1988 : 211-216; Grest, 1988 : 105-106; Chaskalson and Seekings, 1988 : 29-37; SAIRR, 1985 : 89).

Another manifestation of this urban rebellion was a boycott of rent and service charges, especially in Transvaal townships, which also had its origins in the townships of the Vaal Triangle. In 1986 the rent boycott had spread to 54 townships involving about 500 000 households. As at 30 November 1986 the official statistics for rent and service charge arrears were R177,6 million (The Star, 11/2/1987). The reasons for the rent boycott were primarily economic - the rampant unemployment and declining standard of living during the recession meant that many households were unable to pay higher rent and service charges - and to a lesser extent political - this weapon was used to protest against the lack of substantive political rights in general and the present inadequacy and illegitimacy of BLAs in particular (Swilling, 1987 : 18-19; Chaskalson et al, 1987 : 54-58).⁸

This rent boycott severely affected the already parlous state of the BLAs finances.⁹ Where BLAs were still functioning,¹⁰ the government made grants (from July 1986 through the various Provincial Administrations) to help these local authorities fund their activities. However, in line with the government's policy of self-financing local

authorities, such subsidies were deemed bridging loans that had to be repaid. These loans rose from R25m in 1983/4 to R51m in 1984/5 to R63m in 1985/6 (HAD., 18/8/1986 : Col. 2402).

This general insurrection against civil government also affected Development Board finances. Profits from liquor outlets dropped dramatically because of the boycott of government-financed liquor trade (City Press, 23/2/1986) and because of physical attacks on beer-halls and bottle stores (Humphries and Shubane, 1989 : 91). In the year up to June 1985, Development Board debt went up 25% to R194m (Financial Mail, 27/5/1986).

In addition, the government had already, in 1982, committed itself to the privatisation of Development Boards' sorghum liquor outlets.¹¹ After a storm of protest by BLAs, which argued that such a move would deprive them of badly-needed revenue, it was announced in 1984 that the industry was not to be privatised at this stage but rationalised into semi profit-oriented consortia run by the boards, and then privatised later. This process of privatisation would take three years so that alternative sources of revenue for BLAs could be investigated (SAIRR, 1984 : 165-166, 226-227; Poto, 1988 : 97-98).

Furthermore, in certain of the townships which had chased out civil administration, forms of community government called 'people's power' were formed. These structures consisted of street and area committees. Each street elected a street committee, which in turn elected

representatives to an area committee. They were established mainly in the Transvaal and the Eastern Cape. 'People's power' was a dual process. It was firstly aimed at denying official structures any legitimacy to the point of pressuring officials serving on them to resign and, secondly, aimed at taking over some of the functions performed by local institutions. In certain townships such as Mamelodi, services such as refuse removal and the establishment of people's parks were undertaken by such committees. However, 'people's power' structures existed in only a few townships, and addressed a limited range of issues (Swilling, 1988B : 7; Sunday Star, 21/9/1986; Chaskalson and Seekings, 1988 : 44; Humphries and Shubane, 1989 : 93).

What was the state's response to this? The Van der Walt Commission into Education for Blacks in the Vaal Triangle found that local problems and local government were the root cause of the problem, with the rent increases being the final straw. The report recognised the problem of inadequate revenue by pointing out the urgent need for additional sources of funding (Van der Walt, 1985 : 33-34). The government, acknowledging the seriousness of the situation, reacted in December 1984 when Minister Heunis announced that Blacks were to be included in RSCs, which would enable them to obtain funds for essential upgrading (The Argus, 19/12/1984). This was an important policy shift in that it ended the longstanding policy of financial self-sufficiency for Blacks. It was also a clear attempt to

boost the BLAs through urban upgrading. This new policy was given further impetus in August 1985 when P.W. Botha announced that R1 000m would be set aside for the development and upliftment of Black urban communities (RSA, Bureau of Information, 1989 : 543). In addition, in many townships there was the unfreezing of development which had been put off for 20 years because they were within 50 km of Black homelands and were earmarked for incorporation (Sunday Star, 12/5/1985).

Furthermore, the Promotion of Local Government Affairs Amendment Act of 1985 brought Blacks into the mainstream of local government developments. The Act broadened the statutory definition of local authorities to include BLAs, Community Councils and Development Boards. At the same time UCASA (see 5.6 Community Councils for more detail about this body) was recognised as the official mouthpiece of BLAs and provision was made for its representation on the Co-ordinating Council (RSA, Promotion of Local Government Affairs Amendment Act, No. 45 of 1985; SAIRR, 1985 : 82).

This bringing of BLAs into mainstream local government developments was given further impetus by a provision of the Local Government Affairs Amendment Act of 1985, which empowered the Demarcation Board to demarcate the jurisdiction of all ethnically-based local government bodies (RSA, Local Government Affairs Amendment Act, No. 110 of 1985) and an amendment to the Black Communities Development Act which brought Blacks within the ambit of the

Remuneration of Town Clerks Act (RSA, Black Communities Development Amendment Act, No. 52 of 1985).

The more short-term goal was, however, to resurrect local government. The state declared a State of Emergency in 1985 in an attempt to re-establish control and smash rudimentary forms of people's power. Furthermore, in terms of the Co-operation and Development Second Amendment Act, the Minister of DCD was vested with certain powers to ensure the continuation of administration where BLAs had collapsed. In such a case any power, duty or function of a BLA could be exercised by the Minister-designated authority or functionary¹² (RSA, Laws on Cooperation and Development Second Amendment Act, No. 90 of 1985). White Administrators, with full powers in terms of the Black Local Authorities Act, were appointed to run certain non-functioning townships (Humphries, 1988A : 112; Sowetan, 11/6/1985; Evening Post, 8/11/1985).

Another problem was that of Development Boards. The Van der Walt Report had suggested that these institutions were still following the old Administration Boards' autocratic management style and were paying scant attention to development work. There was also the suspicion that such officials were drawing up budgets in areas where there were unsophisticated councillors and were therefore at least partially responsible for the rent increases which had precipitated violent unrest (RSA, Van der Walt, 1985 : 29-35).

On 1/7/1985, Development Boards were transferred to the control of the more reformist DCDP in terms of the Local Government Affairs Amendment Act of 1985, which destroyed the empire of the once omnipotent DCD (see 6.6 The Rise and Times of the DCDP). On 1/9/1985 the social development, housing and population functions were transferred from the DCD to the DCDP¹³ (SAIRR, 1985 : 82). Such a move was supported by BLAs who felt that the former department was irrevocably tainted and that residing under the reformist DCDP would help improve their legitimacy (Humphries, 1988A : 108). However, this arrangement was to prove short-lived.

By 1986 'Total Strategy' was in tatters. The first State of Emergency had not restored control in the townships. By June 1986, 52 out of 235 Black local government structures were not functioning (Cape Times, 30/11/1986). The state's dream of a contented Black middle-class seemed light years away. Furthermore, its attempts to keep 'outsider' Blacks out of urban areas had been a failure. The Orderly Movement and Settlement of Black Persons Bill was eventually shelved due to widespread opposition from business and political organisations.

Earlier, the President's Council's Report of 1985 on Urbanisation had acknowledged the failure of influx control and recognised the inevitability of Black urbanisation. This was accepted by the government in its White Paper on Urbanisation. It had now moved away from preventing Black urbanisation towards controlling it, the principle of orderly urbanisation being the new policy. The Riekert

'insider'/'outsider' dichotomy was formally scrapped and Blacks were now regarded as citizens of South Africa.¹⁴ The White Paper's recommendations were embodied in the Abolition of Influx Control Act of July 1986 (Sutcliffe, Todes and Walker, 1990 : 90-92; Cobbett, 1986 : 112-119; RSA, DCDP, White Paper on Urbanisation, 1986 and Abolition of Influx Control Act, No. 68 of 1986).

The acceptance of Blacks as permanent citizens of South Africa, as opposed to citizens of the different homelands, was given greater credence by the passing of the Black Communities Development Amendment Act of 1986 which made provision for freehold property rights for Blacks (RSA, Black Communities Development Amendment Act, No. 74 of 1986).

The abolition of influx control removed the major raison d'être of Development Boards. Accordingly, the Abolition of Development Boards Act formally abolished these structures and transferred their directorates, along with their liabilities and assets, to the functional control of the Provincial Administrators with effect from 1 July, 1986. Overall policy-making in respect of urban Blacks still resided with the Minister of DCDP. In so far as their sources of revenue were concerned, liquor outlets were in the process of being privatised and labour levies were replaced by the new RSC levies (RSA, Abolition of Development Boards Act, No. 75 of 1986).

The Black Local Authorities Amendment Act of 1986 was introduced at the behest of BLAs who wanted their local

government legislation brought into line with other population groups in the country. It was felt that BLA structures were inferior to those of White local authorities. This Act accordingly made provision for all Community Councils to be converted into Town Councils and all Village Committees established in terms of the principal Act to be raised to Local Authority Committee status. These bodies were upgraded from advisory to authoritative bodies with powers to make by-laws.

There were now five different forms of BLAs; viz. Greater City Councils, City Councils, Town Councils, Town Committees and Local Authority Committees (RSA, Black Local Authorities Amendment Act, No. 58 of 1986; HAD., 29/5/1986 : Cols. 6837-6838). Another move that increased BLAs' powers was the Black Communities Development Amendment Act of 1986 which made provision for property owned by Development Boards to be transferred to these local structures (RSA, Black Communities Development Amendment Act, No. 74 of 1986; HAD., 29/5/1986 : Cols. 6837-6840).

1986 also saw the refurbishment of the concept of city states by the NP federal congress (Weekly Mail, 12/9-18/9/1986). In the early 1980s it had been suggested that certain Black townships should become autonomous and be linked to the proposed 'Confederation of States' concept. This idea had, however, been scrapped.¹⁵ Its revival, as pointed out (in 6.6.3 Minister Heunis's Personality) had led to conflict between P.W. Botha, who was an enthusiastic exponent of the idea, and Minister Heunis, whose DCDP was

moving towards integrating Blacks into common structures. The 'Confederation of States' idea persisted throughout the late 1980s. P.W. Botha is on record as stating that "If a state such as Luxembourg can be independent - why can Black urban communities close to our metropolitan areas not receive full autonomy as city states?" (Botha, 1986 : 24), an observation which overlooked the vast discrepancies in financial capacity between the units in the respective countries.

The idea of a 'Confederation of States', like its predecessor the 'Constellation of States', was not realised. The deliberations of the special cabinet committee (see 8.5 The President's Council's Report) had, however, led to P.W. Botha announcing in January 1986 that he intended negotiating with African leaders for the establishment of a National Council under his chairmanship to meet on matters of common concern, prior to the establishment of a negotiated new dispensation¹⁶ (SAIRR, 1986 : 92-93). In the same year, Blacks were brought into the revamped provincial system in the form of State President-nominated EXCO members (see 7.18 Provincial Government Act of 1986).

8.8 1986-1989: THE REASSERTION OF STATE CONTROL AND THE REIGN OF JOINT MANAGEMENT CENTRES

It has been pointed out that the first State of Emergency failed to restore state control in the townships. The Emergency was lifted briefly in March 1986 and re-introduced in a more stringent form in June 1986.¹⁷ This second State of Emergency reimposed state control in the townships with a

vengeance. Turbulent townships were occupied by the military. This was followed by arrests and detentions and the forcing of many activists into hiding. All this decimated extra-parliamentary organisations (Grest, 1988 : 106). Furthermore, municipal policemen along with hastily trained 'kitskonstabels' (special constables), soon feared because of their brutality, were introduced to protect councillors. Civic organisations were decimated by this offensive and the system of BLAs was gradually resurrected (Humphries, 1988B : 16-17; Mashabela, 1988 : 3-4; Catholic Institute for International Relations [cited hereafter as CIRRR], 1988).

This counter-revolutionary onslaught was orchestrated by the militarists through the NSMS system (see 6.2 The NSMS for a more comprehensive account of the structuring and objectives of the NSMS). JMCs, Mini-JMCs and LMCs, regional/local structures of the NSMS, were responsible for the re-establishment of law and order. However, through the respective welfare committees, such structures were also responsible for material upliftment of Black living standards. Townships which were identified as major security risks (viz. the 34 'oilspots') were earmarked for upgrading.

Although this is disputed by the government, many observers have noted that policy at local level was largely determined by recommendations of JMCs. Budlender (1990 : 80) argues that major decisions about squatters and land allocation in the PWV region were processed largely through

the JMC system and points out that case studies by Swilling in Langa and Hendler in Tembisa arrive at similar conclusions. Jochelson (1988 : 14) has asserted that the Mini-JMCs' de facto controlled Alexandra.

What the JMCs failed to do was to quell rent boycotts. In late 1986 it was reported that JMCs were attempting to break rent boycotts in Black areas (Weekly Mail, 1/8-7/8/1986). That they were unsuccessful was illustrated by the fact that by March 1987 BLAs arrears had risen to R271m (The Argus, 27/5/1987). A whole range of measures had been adopted to end the boycott, including the eviction of tenants, the cutting off of electricity, the selling of council housing stock (with rent and service arrears to be included in the sale price), and a Bureau of Information campaign to get Blacks to pay rent and service arrears. However, none of these measures managed to break the back of the campaign (Weekly Mail, 26/8-1/9/1988; SAIRR, 1988 : 58-59, 217).

A more systematic attempt to end the boycott had been a clause of the Black Local Authorities Amendment Bill of 1986 which had attempted to turn employers into rent collectors. This had been referred to the Standing Committee on the Constitution after a storm of protests by businesses and trade unions. It was, however, reintroduced in a colour-blind fashion in 1987 in the form of the Promotion of Local Government Affairs Amendment Bill. This bill made provision for local authorities to file statements with magistrates in respect of debtors. Employers would then be obliged to

collect such debts from wages (Weekly Mail, 17/7-23/7/1987; Financial Mail, 19/6/1987). This bill was a systematic attempt to break the rent boycott in order to bolster the credibility of councils before the 1988 municipal elections. According to reports, the State President personally took a direct interest in the combating of the rent boycott (New Nation, 11-17/2/1988). However, this bill too was dropped after further sustained opposition.

8.9 1988 MUNICIPAL ELECTIONS

The 1988 municipal elections saw a comprehensive campaign by the state to resurrect BLAs. During the campaign, government spokesmen constantly emphasised that PLAs were the building blocks of the new constitutional dispensation (see South African Digest, 13/5/1988). Such councillors would not only have certain discretionary powers over PLA functions but would also nominate representatives to sit on RSCs. Furthermore, a major proportion of Black representation in the new proposed negotiating forum at central level would be drawn from regional electoral colleges, which in turn consisted of representatives of BLAs (Humphries, 1988B : 14). This constitutional development was the third phase of the state's counter-revolutionary programme (see 6.12 The NSMS).

The intention, then, was then to ensure that the ethnic representatives who stood for election were perceived to be legitimate. This legitimacy was to be achieved through attaining reasonable percentage polls. The state, through the Bureau of Information, embarked on a R4,7m advertising

campaign to promote the elections and to persuade people to vote. The Prior Votes for Election of Members of Local Government Bodies Act of 1988 made provision for a system of special votes whereby persons registered on the roll could vote for candidates in their constituency before elections through a postal vote. The prior vote period was 10 days. It also increased incentives to participate by substantially increasing councillors' allowances and attempted to get the maximum number of eligible voters on the roll (RSA, Prior Votes for Election of Members of Local Government Bodies Act, No. 94 of 1988; Cameron, 1988C : 18). Another measure aimed at stimulating participation was an amendment to the Black Local Authorities Act which allowed shack dwellers living within the borders of local authorities to vote in municipal elections providing that they were 18 years old and had resided in the area for three months. Alternatively, a voter had to be the owner of immovable property (RSA, Black Local Authorities Amendment Act, No. 95 of 1988).

A second measure involved the neutralisation of extra-parliamentary organisations which had rejected apartheid structures. The state, now under heavy SSC influence, was determined not to allow boycott campaigns to undermine its carefully orchestrated constitutional plans. Accordingly, such organisations had to be repressed. The State of Emergency restrictions curtailed the ability of extra-parliamentary groups to mobilise opposition to the elections. The promotion of election boycotts, except by

registered political parties, was prohibited. Stringent punishments were introduced for those found guilty of intimidation of voters (Cameron, 1988A : 18). However, despite this regulation many calls for boycotts were still made, especially by church leaders (Humphries and Shubane, 1989 : 93; South, 8-14/7/1988).

The Black Local Authorities Amendment Act of 1988 also gave the respective Administrators power to remove from office those elected who failed to take office or refused to participate in proceedings or functions. This pre-empted any prospect of the UDF adopting the IRA option, viz. winning seats and refusing to take them up. The Administrator could also appoint people to local government office for a period up to 12 months until an election was held. This was primarily to ensure that local authorities would continue functioning even if there was mass resignation of councillors. He was also given the power to appoint members in areas where no previous elections had been held (RSA, Black Local Authorities Amendment Act, No. 95 of 1988).

Both the government and the anti-apartheid lobby claimed that the results of the elections were victories for their respective positions. The official poll was 25,2% which Minister Heunis claimed as a victory for democracy (Network, 1/11/1988). Opposition groups, on the other hand, claimed that only 5-10% of eligible Blacks had voted and in most townships no more people voted than in 1983. It was also claimed that voters were pressured or intimidated to vote, particularly during the prior vote period. Further-

more, the fact that prior votes (about 70% of total votes cast) were not open to public inspection was conducive to electoral fraud (Phillips et al, 1988 : 35-36; Humphries and Shubane, 1989 : 96-98; Weekly Mail, 21/10-27/10/1988, 28/10-3/11/1988; South, 1-7/9/1988; New Nation, 3-9/11/1988).

However, the issues were not clear-cut as in previous elections. Schlemmer (1988 : 209) suggests that the results were somewhere between these two positions. The polls were generally low in a number of politicised townships. In Soweto, the largest Black township in the country, there was a mere 11,5% poll. However, in other areas - in particular small townships and shack settlements - they were relatively high. Khayelitsha in the Western Cape, encompassing a large shack settlement, recorded a 43,28% poll (Humphries and Shubane, 1989 : 98).

Furthermore, in certain areas such as Koster (Western Transvaal), Harrismith (Orange Free State) and Leandra (Eastern Transvaal), councils were elected with some kind of mandate from mass-based residents' associations (Seekings, 1990 : 124; Budlender, 1990 : 77-78).

Further obfuscating this participation vs. non-participation issue was the fact that in certain townships some successful candidates were elected after having articulated the same demands as anti-participation lobbies. For example, the Sofasonke Party candidates in Soweto promised to reduce rents and not to evict rent boycotters. This party won most of the seats in Soweto (Phillips et al,

1988 : 37). This suggests that certain voters voted on local matters rather than the participation issue.

8.10 1988-1989 GREATER DEVOLUTION OF POWER TO BLACK LOCAL AUTHORITIES

The last section of this period was characterised by attempts by the state to firmly establish BLAs as building blocks for future reform initiatives at higher tiers of government. This involved greater devolution of powers to BLAs. The Conversion of Certain Rights Leasehold Act increased the powers of BLAs considerably. The main aim of the Act was to convert occupational rights into more comprehensive tenure. Accordingly, old township regulations were terminated. However, none of the rights of the previous regulations were included in the Act. For example, under the previous system tenancy could only be terminated under certain conditions, and on the death of the permit holder the family often had a legal right to preference in the allocation of the house. Under the new Act it is the prerogative of the councils to make policy in respect of such issues. This increased their powers dramatically (RSA, Conversion of Certain Rights Leasehold Act, No. 81 of 1988; and Budlender, 1990 : 78-79).

The Prevention of Illegal Squatting Act of 1988 granted unfettered powers to local authorities to demolish illegal squatter dwellings (but not powers of summary eviction). It would no longer be necessary to obtain a court order first. PLAs generally and BLAs specifically have now become the main agents for the management of informal settlements in

urban areas. There was, however, provision for central government to override the authority of a BLA if it failed to perform a function and to charge the expenses incurred to the local structure concerned (RSA, Prevention of Illegal Squatting Act, No. 181 of 1988; O'Regan, 1990 : 162, 172-173; Gill, 1990 : 65).

During this period, certain powers in terms of the BLA Act were delegated to Black local governments by the various provinces (see 9.4 Delegation of Powers for a detailed account of how this process was carried out).

Notwithstanding these measures, it has been suggested that devolution of powers is not such a major issue among BLAs as it is amongst White local authorities. There is a reluctance among BLAs to support devolution, since their lack of financial viability undermines the ability of such bodies to take proper advantage of it (Heymans, 1987B : 20-21).

The re-establishment of BLAs continued in this period. By mid-1989, according to the government, 262 BLAs with varying degrees of autonomy, depending on the financial base of their constituencies, had been established. This included 25 fully-fledged city councils and 22 town councils. The rest consisted of town committees and local authority committees (RSA, Bureau of Information, 1990 : 22). Only 10 local authorities were still under direct control of White Administrators (Cape Times, 30/5/1989).

What about the fundamental question of local government finance? After the elections a number of Transvaal councils

announced substantial rises in the costs of services to residents. The channelling of RSC funds into Black townships failed to stop many BLAs slipping deep into debt (Weekly Mail, 20-26/1/1989). However, despite the increases and the JMC's machinations, the rent boycott persisted. In May 1989 it was reported that rent and service charges arrears had reached a staggering R555,1 million (Cape Times, 20/5/1989). Later in the year it was reported by the Transvaal MEC for Local Government, Olaus van Zyl, that TPA bridging loans to BLAs totalled nearly R890 million and that the state was running out of money to subsidise these units (Weekly Mail, 3-9/11/1989).

From the extra-parliamentary side, 1989 was characterised by calls in many cities for a single tax base. The most prominent of these campaigns was in Johannesburg, where the Soweto People's Delegation (cited hereafter as SPD) called for the reuniting of Johannesburg's and Soweto's finance and administration. In a superbly researched report for the SPD, Planact showed how Sowetans contributed to the growth of Johannesburg, both as workers and as consumers, while receiving very little financial benefit in return. It was concluded that 70% of Soweto's disposable income was spent in the Johannesburg CBD and that it was Black labour and consumption expenditure that were the foundations of the businesses which contribute no less than 74% of the Johannesburg City Council's rates (Planact, 1989 : 76-79).

At the very least, certain subsidisation from White local authorities to satellite townships seemed necessary to

ensure the suspension of rent boycotts. The SPD entered into negotiations with the TPA,¹⁸ but as the Botha/Heunis era came to an end in 1989 no agreement had been reached. The impasse in Black local government seemed likely to (and in fact did) drag on into the 1990s.

8.11 CONCLUSION

Perhaps the most ill-fated constitutional experiment that the apartheid state has yet embarked upon is the attempt to introduce fully-fledged Black local government structures in the 1980s. BLAs with fairly extensive powers were introduced and Administration Boards were replaced by Development Boards, whose aim was to develop local authorities until they could operate autonomously. However, the government made the cardinal error of establishing BLAs without adequate sources of revenue.

Lack of finance, then, proved to be the achilles heel of BLAs. In order to finance township development, councils were forced to introduce exorbitant rent and service charges. This led to violent resistance culminating in the collapse of many BLAs. Rent boycotts and people's power, an alternative form of local representation, were other manifestations of this boycott. These developments forced the state to subsidise BLAs heavily. They also led to the bringing of Blacks into mainstream local constitutional developments. This enabled BLAs to get access to funds for infrastructural development. Influx control was abolished in 1986, which in turn led to the abolition of Development

Boards which had failed to adjust to their new developmental role.

In 1986 the securocrats won a power struggle within the state against the reformists and a State of Emergency was introduced to crush resistance to BLAs. This was largely successful. Security force-dominated JMCs and their sub-structures began to exert considerable influence on BLA policy. The 1988 municipal elections saw a comprehensive campaign by the state to resurrect BLAs. While the results were still low in many large townships, elsewhere poll percentages were higher than in previous years. The late 1980s saw further attempts to devolve powers to BLAs. However, the rent boycott persisted. Despite the introduction of RSC funds, the fundamental problem of lack of finance remained. Finally, this chapter has shown the dismal failure of the state's strategy of co-opting Blacks into neo-apartheid structures to act as bulwarks against the forces of radicalism (see 6.2 Total Strategy).

SECTION 4

SECTION 4

For the sake of conformity, the framework for analysis measuring decentralisation has been placed after the chapter on Normative Local Government in Section 2. This does, however, present a problem in that it has been necessary to look at national political developments in respect of local governments in Section 3 before this framework could be applied to the case studies. This means that by the time the reader reaches the case studies in Section 4, he/she will probably need the following brief recapitulation of the nature of this framework for analysis.

The framework does not attempt to make any major new theoretical contribution to the field of decentralisation. Rather, certain indices which can measure decentralisation are examined. Because of a number of constraints (see 3.9 Conclusion), a more limited variant of the fully-fledged framework will be used in the case studies. The following indices will be utilised:

1. the classification of local authorities' personnel systems into three different categories, i.e. separate, integrated and unified;
2. whether local councillors were directly elected, indirectly elected or nominated;
3. the nature of the channels of access between local and central local government actors;
4. whether local authorities' functions are handled in a devolved or delegated/deconcentrated way (for each case study one major function was chosen);

5. whether ideas, information, experience and demands from local politicians can influence national politicians of the same party;
6. the nature of the revenue base, some forms of local taxation being more autonomous than others;
7. the elasticity of the sources of revenue of local authorities;
8. the amount of discretion local authorities have over expenditure;
9. the different administrative mechanisms through which higher tier control can be maintained over local authorities;
10. an examination of different types of higher tier government supervisory patterns over local authorities;
11. an examination of how the ultra vires doctrine affects local government autonomy.

It must be pointed out that not every index is applicable to each case study.

CHAPTER IX

CASE STUDY 1 : CAPE TOWN CITY COUNCIL

9.1 INTRODUCTION

Cape Town is the legislative capital of South Africa. It is situated at the foot of Table Mountain in the Western Cape. The CCC was established in 1840. It is the biggest local authority in the Cape Province. The CCC is a grade 15 local authority, i.e. the largest category of local authority in terms of the statistical formula introduced by the government (see 7.5 Remuneration of Town Clerks Act). In 1981 it was two and a half times bigger than any other local authority in this province and it also contained one-third of the rateable value of the province within its boundaries (The Argus, 4/8/1981). In 1989 the CCC's municipal area was 30 322 ha and its rateable value was R5 456 895 333 (South African Municipal Yearbook 1989, 1989 : 74). According to the 1985 census, the CCC had 44,25% of the population of the WCRSC area under its jurisdiction (863 508 in total). This can be sub-divided into 37,8% (206 949) of the White total; 49,8% (549 213) of the Coloured total; 75,6% (13 917) of the Indian total and 33,1% (93 429) of the Black total¹ (CCC, 1988A : 10). It also has 45,5% of the WCRSC's population residential dwellings in its area (CCC, 1988A : 6). Another indication of its size is the extent of its capital and operating expenditure which in 1989/90 amounted to R281,7m and R999,1m respectively (CCC, 1989B : 13) (see Annexure C for map).

Unlike most White local authorities in the area, it is a predominantly English-speaking institution, which is reflected in the composition of its councillors and officials. The CCC is not run on party-political lines. In the 1980s there was a considerable liberal PFP (thereafter DP) contingent on the CCC, which wielded a certain amount of power but was unable to impose its will unreservedly on the council (Cameron, 1986B : 36-44). The CCC prides itself on being the heir of the Cape liberal tradition. However, it is sometimes rather ambivalent about matching liberal rhetoric with its actual policies (Cameron, 1986B : 83-89).

In this chapter an examination will be undertaken of the extent to which higher tiers of government have decentralised power to the CCC in the 1980s. As pointed out in Chapter III, selected aspects of the framework for analysis will be used to gauge the extent of decentralisation that has occurred.²

9.2 PROCEDURE FOR BY-LAWS

In the Cape, all by-laws must be approved by the Administrator. He may refuse to approve a by-law if he believes it is not in the public interest. He can amend or modify the proposed by-law if he deems it necessary. The Administrator can force a council to pass by-laws against its wishes and if a council refuses to do so he can authorise another body to perform the function and claim the costs from the local authority concerned.

There are a number of requirements for valid by-laws. Some of the more important of these will be discussed.

Firstly, a by-law may not be ultra vires; there must be a specific authority in the ordinance for whatever the council does. A by-law must also not be repugnant to the general law of the land; viz. it must not be contrary to the laws of higher tiers of government. Finally, it must be reasonable. This is quite a complex issue. Generally, it means that the by-law must not exceed the imposed limitation on the exercise of that power (Craythorne, 1990 : 424-433; interview with senior CPA official, 1990).

As pointed out (in 7.19 Own Affairs Administration), certain supervisory powers in respect of White local government were transferred to the Minister of Local Government: House of Assembly on 1/4/1989. These powers have now been delegated to the White Ministerial Representatives (who were appointed in March 1987 and took office in May 1987). The Ministerial Representative for the Western Cape between 1987 and 1989 was Mr Jimmy Otto. CCC by-laws affecting Whites only are 'own affairs' and must now go to the Minister's Representative for final approval; if the matter also affects Coloureds and Indians it is a 'general affair' and still goes to the Administrator. Certain 'own affairs' powers, particularly in respect of financial issues, are still handled on an agency basis by the Administrator (Department of Local Government, House of Assembly, 1989).

This division is rather complex in practice. 'Lily-white' local authorities' by-laws go to the Ministerial Representative for final approval. A by-law affecting a

White suburb of a mixed local authority consisting of Whites and Coloureds or Indians (e.g. Claremont) also goes to the Ministerial Representative, while a by-law affecting only a Coloured area in a such mixed local authority (e.g. Athlone) goes to the Administrator. However, in a mixed local authority such as Cape Town, where a by-law will affect Whites as well as Coloureds and Indians, it has to be approved jointly by the Ministerial Representative and the Administrator (Department of Local Government, House of Assembly, 1989). As pointed out, this division along colour lines is both complex and impractical; even practitioners said in interviews that there were a number of areas which, in terms of this formula, did not lend themselves easily to either 'general' or 'own' affairs.

There is also a joint CPA/House of Assembly committee on local government legislation to ensure uniformity of policy when it comes to the introduction of new by-laws or amendments to existing by-laws (Interview with CPA and Department of Local Government: House of Assembly officials, 1990).

9.3 CCC/CPA HIERARCHICAL RELATIONS

Relations between the CCC and CPA have down the years tended to be rather acrimonious at times. The major reason for this is that the anti-apartheid CCC objected to racially-based legislation imposed upon it by the NP-controlled Provincial Council (until its abolition in 1986). During the 1960s the CCC refused to demarcate its beaches on racial grounds when ordered to do so by the Administrator in terms

of the Separate Amenities Act. The CPA put up the apartheid signs and charged the costs to the CCC (Cameron, 1986B : 62). Prior to and up to the mid-1980s there had been various pieces of provincial legislation which eroded the autonomy of the CCC, often because the CPA wanted to ensure that the recalcitrant CCC adopted the NP's apartheid policies.

In the 1980s, two distinct phases of hierarchical relations between CPA and CCC can be identified. The first phase, using Griffith's definition (see 3.7 Hierarchical Relations), can be termed promotional, that is, local authorities executing functions under the close control and direction of a higher tier authority. This phase covered the early and, to a lesser extent, the mid-1980s and is strongly linked with the tenure of Hernus Kriel (1981-1984) as MEC for Local Government, which was particularly associated with legislation diminishing CCC autonomy. Soon after his appointment to the portfolio, Kriel discouraged local authorities from establishing their own little 'monarchies' or 'republics', saying that he would ensure that NP policy was carried out at local government level and that the aim of local authorities was to "ensure that government policy is honoured" (Cape Times, 25/5/1981). In 1982 he said that the CCC was a "radical of the left" council and was sabotaging government plans to restructure the local government system. He warned of government legal action, and even the cutting off of state funds, to ensure that local authorities supported and implemented its

constitutional plans (Cape Times, 26/10/1982; Cameron, 1986B : 61-62; 1988D : 54-55).

During this period Kriel introduced legislation which gave the Administrator the right to appoint the chairman of the Municipal Service Commission (cited hereafter as MSC), the CCC's personnel body. This gave the CPA a strong foothold in the appointment and promotion of staff in the CCC (see 9.7.1 The MSC). He also introduced legislation which gave the Administrator power to terminate a lease between the CCC and a sports body if it was felt that the latter body was unreasonably withholding local authority facilities from other persons or organisations. Legislation was also introduced which gave the Administrator power to change, by means of a directive, any street names of which he disapproved. This legislation was introduced to enable the CPA to reverse a decision by the Northern Areas Management Committee in Port Elizabeth to name two streets in its area of jurisdiction after Nelson Mandela and Steve Biko (Labour Research Commission, 1982 : 160; CPA, Municipal Amendment Ordinance, No. 23 of 1983; Cameron, 1986B : 62-63; 1988D : 54-55).

It was not only through ordinances that provincial controls were asserted over the CCC in this period prior to and up to the mid-1980s. Because of the narrow parameters of the ultra vires doctrine, circulars and letters issuing directives to local authorities were often used by the CPA's Department of Local Government.³ Gildenhuys has asserted that the delegating power of the Administrator led to

functions being delegated to a relatively low level in the staff hierarchy, with low-ranking provincial staff being able to dictate and, in some cases, interpret policy to senior local authority staff (cited in De Wet, 1984 : 280). It has been pointed out that this tendency occurred in CCC/CPA relations (Cameron, 1986B : 63-64). Even a senior DCDP official accused the CPA of having a "centralist bureaucratic culture" (Interview with senior DCDP official, 1988).

The second phase began in the mid-1980s, yet was pronounced only in 1988-1989 when the CPA attempted to embody the government's devolution of power policy (see 9.4 Delegation of Powers). There has been a move towards what Griffith terms regulatory control (see 3.7 Hierarchical Relations), an approach which concentrates on upholding statutory regulations while not intervening excessively in local affairs. According to a senior CPA official, there has been a conscious shift in policy when it comes to reviewing by-laws. The CPA checks mainly whether by-laws are legally correct and not incompatible with higher tier legislation. The new ethos of the institution is to prescribe as little as possible to local authorities and to allow them maximum permissible autonomy. This new commitment to decentralising powers is reflected in a drop in the number of directive circulars sent to local authorities. With delegated powers, the need for directive circulars has diminished to a large extent.

Despite this change in attitude there are still, however, elements of the promotional approach evident in the CPA's attitude to intergovernmental relations. For example, the new Administrator Kobus Meiring turned down the city council's proposed by-law seeking a 50% ban on smoking in city restaurants, on the grounds of unreasonableness (The Argus, 13/12/1989).

In the rest of the chapter other manifestations of this mix of regulatory and promotional approaches will be examined.⁴

9.4 DELEGATION OF POWERS

Since 1988 the CPA has delegated certain powers down to local authorities.⁵ There were two major and two minor rounds of delegation in 1988 and 1989. The one major form of delegation saw over 50 functions being transferred to local authorities. The other major delegation saw the enforcement of certain town planning regulations being delegated to local authorities. How did this process work? Although the Commission for Administration had ultimate responsibility for this process, in the Cape at any rate, a provincial committee⁶ worked through the ordinance, examining every section and sub-section to see what powers could be delegated. A framework consisting of four variables was used in this process. These four variables were political, economic, social and security reasons for delegating powers to local authorities. Each of these variables was divided into four further dimensions: none, minor, serious and critical reasons for delegating powers.

Each sub-section of the ordinance was examined in terms of these criteria (CPA, AA050, 9/2/1990A).

Delegated powers mean that such powers can be recalled at some stage. Why were powers not devolved? The CPA felt that there was still a need to retain control in order to review delegations. This had become more pressing since the 1988 municipal elections, which saw a growth in the number of CP-controlled municipalities which were opposed to the government's reform policies. For example, the power to initiate legal proceedings for the recovery of arrear rates was delegated to local authorities and then recalled. This was because of the fear that CP-controlled bodies could use this function against Black defaulters in a way that could heighten racial conflict (Interview with senior CPA official, 1990).

Why did the CPA not devolve the powers to approve by-laws down to local authorities, as has been the case in certain other provinces?⁷ The CPA's policy, based on legal opinion, is that in terms of the country's unitary constitution there should always be a higher approving authority. There was also the belief that there should be a certain amount of uniformity amongst local authorities' legislation, hence the need for some form of higher tier control. In this regard, provision is made for the making of standard by-laws by the Administrator (although it is not compulsory for local authorities to adopt them). Another possible reason for continued control was that devolution to local authorities would have been a threat to the powers of

CPA bureaucrats, who were accordingly unenthusiastic about implementing this policy.

Moreover, certain powers conferred upon the Administrator - enabling him to make by-laws for a council which needs them but has not made them, and by-laws for a council on certain matters beyond its powers, as well as powers authorising him to instruct another body to implement a by-law if a council refused to do so after being so ordered, and to recover the costs from the local authority concerned - still remain on the statute book (Craythorne, 1990 : 424-425; interview with senior CPA officials, 1990).

Furthermore, in terms of De Forges' six administrative mechanisms through which higher tier control over local authorities' powers can be maintained (see 4.5.3 Provincial Controls), there has been little change. All these provincial controls still exist over the functioning of the CCC although, as pointed out in the previous sub-section, some of these powers are now exercised by the Ministerial Representative in the Western Cape.

The view was also expressed by certain CPA interviewees that unfettered devolution could lead to inefficiency and corruption, an opinion that was grounded in their personal experiences of dealing with local authorities. This ambivalence towards devolution is reflected in some of the functional areas to which this chapter will now turn.

9.5 FINANCIAL CONTROL

According to Mawhood's scale of systems of local financing, own revenues is the source of financing most conducive to

local government autonomy (see 3.6.1 Revenue Base). In the CCC's case, 95,2% of its finances come from its own sources (CCC, 1989B : vi). Despite this, the CCC is constrained by higher authorities in a number of ways when it comes to determining local financial priorities. This section will look at the Department of Finance's macro-control over the finances of the CCC.

9.5.1 **Effects of Controls on Cape Town City Council's Revenue Base**

The Department of Finance does not consider its macro-controls (described in 7.20 Department of Finance Macro-Control) to be restrictive. Deputy Director-General of Finance Gerhard Croeser stated that the Department endeavoured to adopt a flexible approach and to consider special adjustments and corrections in the expenditure programme of local authorities within the framework of overall policy and prevailing circumstances (Croeser, 1986 : 7). There is, however, a great difference between the Department's attitude to capital and operating expenditure in practice.

The Directorate: Local Government Relations tends to be more flexible when it comes to exceeding controls on capital expenditure. Applications for ad hoc expenditure by the CCC are generally treated quite favourably. For example, when a water pipeline burst in Heideveld, a low-income Coloured area on the Cape Flats, an ad hoc application for an additional R8,8m capital expenditure to replace it was approved (CCC, 1987A : 12). Interestingly enough, the CCC

often underspends its capital account because of procedural delays; e.g. tenders have not been sorted out, plans not ready, etc. (Interview with Town Clerk, CCC, 1990).

It is, however, the Department's policy to exercise much tighter control over operating expenditure. The CCC has had its budget cut by the Department in the past; for example, in 1984/85 the budget was cut by R4m (Cape Times 9/8/1985). The CCC has complained that these operating controls are severely restrictive. New capital projects have led to an ever-increasing burden of capital charges, operational costs and maintenance that have to be met from the operating account (CCC, 1987A : 9). A major inhibiting factor is that of salaries and wages of CCC employees. The CCC has over 15 000 employees and their remuneration is subject to Industrial Council hearings. Furthermore, housing subsidy levels are set by central government. Local authorities are very labour-intensive because they provide large-scale services to the public, and salaries and wages accordingly accounted for 39% (R398m) of operating expenditure in 1989. It was felt that the Directorate: Local Government Relations' estimated figure of 30% for salaries and wages was unrealistic and only applicable to clerical government departments which do not provide large-scale services (Interview with City Treasurer, Cape Town, 1990; CCC, 1989B : 21).

A related issue is the question of how restrictive these controls are on the CCC's discretion to determine its own priorities. Croeser argues that it is a local

authority's prerogative to determine budgetary priorities. The task of the Department is to see that these overall limits are not exceeded. Complaints were expressed by the major cities in the early 1980s that macro-control had degenerated into micro-control, with the Department of Finance trying to limit expenditure on various sub-divisions of the budget (CCC, 1986H). However, in the late 1980s the Department reverted to its macro-control function (Interviews with Gerhard Croeser, 1989 and Donald Geyer, CCC Treasurer, 1990).

What is the relationship between these controls and the inflation rate? Table I compares the growth percentage limits of the Department of Finance from 1982 to 1989, with the inflation rate for the same period.

TABLE I: COMPARISON OF DEPARTMENT OF FINANCE LIMITS ON CCC'S EXPENDITURE WITH ANNUAL INFLATION RATE 1982 - 1989

Year	Limits on Expenditure*	Year	Inflation Rate**
1982-83	13,5%	1982	14,7%
1983-84	9,75%	1983	12,3%
1984-85	10,0%	1984	11,7%
1985-86	12,5% capital		
	10,0% operating	1985	16,2%
1986-87	15,0%	1986	18,6%
1987-88	15,0%	1987	16,1%
1988-89	13,5%	1988	12,9%
1989-1990	13,5%	1989	14,7%

*(Croeser, 1988 : 5; CCC, 1988B : 6; 1989B : 2)

** (Department of Statistics, 1989).

It can be seen that with the exception of 1988, the Department of Finance's controls have been below the inflation rate. This must be considered restrictive on the

ability of the CCC (and all other local authorities too) to expand its revenue base.

It was pointed out (in 2.12.2 History of Decentralisation) that in certain instances central government supervision is needed to promote efficiency at local level. In this regard, macro-economic control has had certain positive spin-offs. Firstly, local government budgets are drawn up more carefully and expenditure is generally limited to more realistic levels. Secondly, it forces local representatives to determine relative priorities of different services. These advantages can be compared to the days when certain capital projects were approved by provincial administrations and other government departments without seeing whether local authorities could afford them. In some cases government departments forced local authorities to carry out projects with high standards, with no regard to the issue of affordability (Croeser, 1986 : 6-10).

On less solid ground is Croeser's argument that Department of Finance control is justified on the grounds that the state, since it began paying subsidies in lieu of rates (rates from 1988 onwards), is the biggest payer of local income tax. (R98m was paid by the state during the 1986-87 financial year - see 7.9 The Rating of State Property Act of 1984) (Croeser, 1988 : 1-2). The major reason is that the CCC's GST payment, estimated at R17m per annum, was only slightly less than the amount received from

the state in payment of assessment rates (1988 figures).
(CCC, 1988B : 17).

9.5.2 Status of Financial Controls

What authority do the Finance Department controls carry? In terms of the six forms of hierarchical controls, (see 3.7 Hierarchical Controls), it actually has few formal powers. There is no law which the Department can use to force local authorities to follow its guidelines. It relies to a large extent on local authorities' informal cooperation. However, there are certain powers which the Department could use against persistent offenders:

- i) No local authority that wants to borrow an amount of R1m on capital expenditure can enter the market without the Department's approval. Recalcitrant local authorities can duly be refused such entry.
- ii) The Department administers the Local Authorities' Loans Funds (see 7.7 Local Authorities Loans Fund Act of 1984). Local authorities that exceed expenditure can be refused loans from this source.
- iii) The state initially paid subsidies in lieu of rates on property to local authorities. In terms of The Rating of State Property Act of 1984, the state was supposed to pay rates on property to local authorities (see 7.9 The Rating of State Property Act of 1984). In 1988 the state began paying rates. Such state funds could be withheld from persistent offenders (Croeser, 1988 : 10).

Punitive measures (i) and (ii) could not be applied against the CCC because it raises its loan requirements from internal funds through the Consolidated Capital Development and Loans Fund (cited hereafter as CCDLF) (with the exception of housing). This means that (iii) is the only potential control that could be used against the CCC if it decided to ignore these limits. However, there is the concern among City Treasurers of the five major cities⁸ that if these guidelines are deliberately ignored, the state may respond by introducing legislation to enforce tighter macro-economic control. This was likely to be more inflexible than existing control measures. The CCC accordingly kept within the limits laid down by the Department of Finance (Interview with City Treasurer, CCC, 1990).

9.5.3 Provincial Role in Macro-economic Control

The Treasury plays the major role in controlling local authority expenditure but, as pointed out (in 7.20.2 Financial Control Procedure), the provinces are still involved, albeit to a lesser extent, in this process. A few months before the beginning of each new financial year, the CPA sends a standard circular to all local authorities in the province in which the Director: Local Government requests a statement of estimated income and expenditure in respect of both capital and operating accounts. Upon receipt of these proposed budgets, the Departments of Local Government scrutinise these budgets for unnecessary expenditure and items which are likely to lead to a substantial increase in rates. The Department of Finance and

the local authority concerned are informed accordingly if the province is unhappy with certain items on the budget. The approval of the Administrator is also needed to increase the capital estimates between budgets (see CPA, LG/PB, 15/1988A). The financial relations between the CCC and CPA have been good, at least since Donald Geyer took over as City Treasurer in 1986. There has not been a need to question items on the CCC's budget because of the sound financial management employed by the local authority (Interviews with CCC and CPA financial officials, 1990).

It was also necessary for local authorities to request the Administrator's permission to exceed the statutory limit in the Cape Province of 2c per Rand for the rate levy (CPA, LG/PB 15/1988A). However, because the CCC was operating on an outdated 1979 general valuation roll in the late 1980s, this tended to be merely a formality in its case. By 1989/90 this levy had in fact reached 3,39c in the Rand (before rebates) (CCC, 1989B : 12).

The CPA still controls the ability of local authorities to borrow money and also regulates the functioning of CCDLFs, local authorities' internal system of financing. The delegation of powers (see 9.5.7 Delegation of Powers) has changed the loan system in that there is a grading system for the approval of loans, ranging from a middle-level administrative official to the Chief Directorate: Local Government, depending on the amount concerned. However, the principle that loans must be approved by the CPA has not been changed. As already pointed out, this does

not affect the CCC because it relies on internal sources of finance.

9.5.4 Provincial Subsidies

It was pointed out (in 4.4.4. The Financing of Local Authorities) that less than five percent of the total expenditure by local governments was derived from subsidies, and thus was limited to specific functions. Local authorities are also entitled to reimbursements in respect of expenses for functions carried out by a local government acting as agent for higher tier governments, such as freeways and through roads (Solomon, 1988 : 188).

Subsidies form a relatively small percentage of the city's revenue. They declined from 7,76% of revenue in 1980 to 4,8% in 1989 (UPRU, 1986 : 59; CCC, 1989B : 16). The major reason for this was that the CCC was consistently under-funded by the CPA during the 1980s. The CCC pointed out that it was entitled to expect a subsidy equivalent to between 40 and 50% of operating costs incurred in fire, library and nature conservation services. However, it had never actually received a subsidy of such magnitude (CCC, 1990B : 5).

The reason for this under-funding is not the CPA's fault. It relies on the central Treasury for approximately 80% of the revenue and during the 1980s the amount of funds allocated to the CPA by the central government was often inadequate in relation to its needs. For example, the central government subsidy to the CPA was cut by R74m in

1984/85 and by more than R100m in 1985/86 (Cape Times, 21/4/1985).

The CCC also claims it has been short-changed in respect of roads reimbursement. It claims that it is owed R6m in provincial subsidies for road building in Mitchell's Plain in the past decade (The Argus, 11/1/1989).

9.5.5 Elasticity of Cape Town City Council's Tax Base

It was pointed out (in 3.6.2 Elasticity of Tax Base) that the elasticity of the tax base is an important ingredient of devolution. It was also pointed out that rates are extremely inelastic and tend to lag behind the inflation rate. This is corroborated by the CCC's experience. At a general level, Croeser pointed out that a 10% increase in expenditure requires a 25% increase in assessment rates in South Africa (Croeser, 1985 : 18).

At a more specific level, at the end of the 1980s the CCC was operating on valuation rolls supposedly based on market prices and building costs in January 1979. These rolls only became operative in 1984 (The Argus, 6/7/1984). These valuation rolls⁹ were further eroded as a result of several substantial and successful appeals to the Valuation Court (CCC, 1986A : 115). The natural growth of rates per annum was between 1,5 and 2% in the 1980s and this can be compared with the double-digit inflation during this same period (see Table I on page 336) (Interview with City Treasurer, Cape Town, 1990; CCC, 1987A : 17). All these factors contributed to rates forming a relatively small percentage of the city's revenue in the 1980s. (It formed

23,48% of total revenue in 1980 and 24,9% in 1989¹⁰ - UPRU, 1986 : 59; CCC, 1989B : vi).

Furthermore, The Rating of State Property Act of 1984 only came into effect in 1988 (see 7.9 The Rating of State Property Act of 1984). In the interim the state committed itself to paying a subsidy in lieu of rates. This was often less than anticipated. For example, in 1985/86 the CCC was underpaid by an amount of R4m. The chairman of the CCC EXCO, Richard Friedlander, said "the city could not continue using 1979 values in a 1990 context. The increasing demand for services is straining the city's resources to the limit" (The Argus. 23/5/1989).

There is, however, a self-induced reason for the lack of growth of rate revenue. It was the CCC's policy through most of the 1980s to set rates increases at least two percent lower than the Cost Price Index (cited hereafter as CPI) (CCC 1987A : 4). This was due to local economic circumstances. CCC's rates are the highest of all the metropolitan areas in the country¹¹ and it was feared that excessive rate increases would drive away possible investors or cause businesses to relocate elsewhere (Interview with City Treasurer, Cape Town, 1990).

The major source of income is its trading services, electricity and water, in particular the former service. In 1980 it formed 55,49% of total revenue and in 1989 49,3% (UPRU, 1986 : 59 and CCC, 1989B : vi). However, following a recommendation by the CWG, only a 10% maximum surplus can be

made on these undertakings to subsidise rate accounts (CCC, 1983 : 39)¹².

9.5.6 Financial Implications of New Local Government Deal

One of UME's preconditions for accepting the new local government deal was that no local authority should be financially worse off than before. This has not happened in the case of the CCC. The City Treasurer stated unequivocally that the city was in a worse financial situation than before. It has already been pointed out that GST paid by local authorities and assessment rates paid by the state have virtually cancelled each other out. The CCC sustained a loss of R2,5m for business licence fees, which fell away following the introduction of RSC levies. It also received a reduction of income of R1,4m from commission on Cape Divisional Council (cited hereafter as CDC) rates collected and a contribution towards valuation expenses previously received from this body (CCC, 1988B : 13).

Furthermore, the CCC also has to pay WCRSC establishment and service levies. In the 1987/88 financial year, this amounted to R1,2m (CCC, 1987A : 17). This means that the city was R5,1m worse off than before when the RSCs were introduced.

9.5.7 Delegation of Financial Powers

A minimal amount of financial power has been delegated to the CCC. The CPA has delegated certain financial functions down to local authorities, such as implementation of legal proceedings for the recovery of arrear rates,

limitations on raising loans, raising of loans to liquidate previous loans, utilisation of proceeds of sale of capital assets, utilisation of surplus loan funds (in respect of local authorities with a grading above Grade 6), exemption from rates on leased council and state property, granting of rebates on rates where valuation is reduced, raising of external loans, and the utilisation of CCDLF funds for specific purposes (CPA, LG/PB 13/1988B and LG/PB 4/1989A). However, the City Treasurer does not regard any of these delegations as being major functions. They have not significantly increased the city's financial autonomy. It was felt, despite the fact that certain delegations are applicable only to local authorities of Grade 6 and above, that the CPA did not distinguish adequately between larger and smaller local authorities when delegating powers. Cognisance was not taken of the fact that the city had the financial expertise to handle more powers (interview with City Treasurer, CCC, 1990).

It was argued (in 7.22 Evaluation of State Strategy) that macro-economic objectives formed an important reason for centralist measures in new local government legislation. In practice, there are also tight macro-economic controls. Few important financial powers have been delegated to the CCC. Furthermore, there has been centralisation of powers in that the Department of Finance has taken over from the CPA as the institution responsible for macro-economic control of local authorities' finances.

In terms of Mawhood's scale of systems of local financing (see 3.6.1 Revenue Base), the CCC has what is theoretically the most autonomous form, namely own revenue. However, there are limits on the CCC's ability to adjust its tax base. Provincial controls on the rate limits and the 10% maximum surplus that can be made on these undertakings are the major restrictions in this regard.

In terms of Davey's framework of financial discretion (see 3.6.3 Financial Discretion over Expenditure), due to macro-economic control by the Department of Finance the CCC is quite limited in terms of scale, that is the amount of money it is allowed to spend, particularly in respect of operating expenditure. It does, however, have greater leeway in terms of purpose, namely the objects on which it is allowed to spend its money.

In terms of Davey's six-point continuum in descending order of discretion, item 3 appears to be relevant to a certain extent, namely that the CCC may allocate money between different services, but with a fixed ceiling on expenditure. A case can also, however, be made for the applicability, to a certain extent, of item 5: that the CCC can allocate money but only within total amounts prescribed for individual functions for higher tier governments. It was pointed out (in 9.5.2 Financial Control Procedure) that the macro-amounts of six or seven major items are controlled by the Department of Finance. If anything, with increased Department of Finance control in the 1980s, there has been a

shift from item 3 to item 5, indicating greater and not less financial control.

9.6 TOWN PLANNING¹³

In 1985 the Cape Provincial Council promulgated the Land Use Planning Ordinance (cited hereafter as LUPO) No. 15 of 1985 which replaced the cumbersome and outdated Township Ordinance No. 33 of 1934, which was a highly centralising piece of legislation in which most planning decisions had to be referred to the Administrator for final approval. LUPO took effect on 1/7/1986 and provided, among other things,

- i) for subjecting the land scheme of the entire province to zoning schemes, whereby the permissible use of land is prescribed in scheme regulations, and that a change of use of land is subject to rezoning approval on a uniform basis;
- ii) for control over the subdivision of land;
- iii) for total flexibility in the application of zoning schemes by means of the approval of departures;
- iv) for the introduction of structure plans which have as their objectives the provision of guidelines for future development in a specific area, and the empowering of local authorities to deal with rezonings themselves within the constraints of such plans;
- v) for a right of appeal to the Administrator against the decisions of local authorities;
- vi) for a right of appeal to an appeal committee if a local authority and a developer cannot come to an agreement

with regard to the supply of services (CPA, 1987A : 27).

According to a senior CPA planner, LUPO had four main purposes:

- The first objective was the promotion of forward planning in order to expedite township establishment. Accordingly, forward planning was to be embodied in structure plans.
- The second objective was the reinforcement of free market principles in land use control. An attempt was made in LUPO to give free market principles greater recognition.
- The third objective was rationalisation of procedures. A major problem of the old ordinance was that it was difficult and cumbersome to administer. LUPO accordingly simplified and streamlined procedures.
- The fourth objective, the most important for the purposes of this thesis, was the promotion of devolution of power. Special mechanisms were written into the ordinance in order to give positive substance to this policy in respect of land use planning. The underlying principle was that the devolution of land use control could be achieved effectively by control over forward planning. The CPA felt that in terms of this approach, a fairly flexible system of devolution could be instituted. Provision was made for a fairly flexible system along a sliding scale in which levels of devolution could vary from place to place. Control

was accordingly concentrated on structure plans, which were to be used to devolve zoning schemes and, through the zoning scheme, the power to subdivide land (Theunissen, 1985 : 2).

LUPO provoked an immediate response from two planners situated in the CCC's Town Planning branch. Writing in their personal capacities, they took issue with the claim that LUPO embodied devolution of powers. They pointed out that nearly all the major powers conferred in terms of LUPO were subject to review by the Administrator, including the approval of rezonings, subdivisions, departures, deemed zoning and any decision or action of a council. Only a few minor powers were non-reviewable. This form of decentralisation was in fact a form of delegation rather than devolution. The power to review any decision or action was retained by the Administrator, who could direct the council to act, or could act for it as the case may be. There were also a number of powers which were not delegated. The Administrator's control over local authority planning and policy was extended through his powers to approve or reject structure plans. In respect of appeals, he had wide-ranging powers to overturn local authorities' decisions.

The authors argued that this power of intervention had the effect of nullifying the powers delegated to local authorities. There were also a number of planning functions retained by other government agencies. For example, even though local authorities now had responsibility for preparing a structure plan, they had to conform to the

DCDP's guide plans for the area (Ketelbey and Commins, 1985 : 45-48). It is concluded that, apparently "delegation of powers to local authorities under the LUPO does not effectively grant them greater freedom to decide or to act" (Ketelbey and Commins, 1985 : 47). This was also the official CCC response. An official CCC document concurred with this interpretation of events, pointing out that only a few development control powers had been delegated (CCC, 1987B : 12).

The successful implementation of LUPO was predicated upon local authorities drawing up their own structure plans. However, a number of local authorities including the CCC had, by 1988, not yet done this. By this time the City had committed itself to public participation in future development. This would involve getting public input before producing structure plans for different areas. This would involve an extended period of consultation. The CPA was, however, anxious to delegate powers as soon as possible and was contemplating drawing up its own structure plan which would give the city new powers but would set the parameters for Cape Town's future development (CCC, 1986I : 2-3).

Accordingly, in 1988, the MEC for Local Government, Pieter Schoeman, announced that an inquiry was to be made into giving local authorities greater powers regarding subdivisions of properties and departures from the zoning scheme. It was announced that the intention was to ensure that the Administrator would retain the right only to adjudicate appeals. At that stage many of the larger

applications had, in terms of LUPO, to be referred to him (Cape Times, 22/7/1988). This was a tacit admission on the part of the CPA that LUPO was not as decentralised as initially claimed.

In terms of CPA circular GDK/LDC 9/1988 (CPA, 1988C), the Administrator approved a general structure plan for the Cape Province which authorised local authorities, with effect from 1/1/1989, to grant or refuse zoning applications with the exception of the following cases:

- a) any rezoning of which a state institution, including a Management Committee, is not in favour;
- b) any rezoning below the one-in-50-year floodline, unless an approved structure plan exists for the relevant area;
- c) any rezoning of a public open space where an appropriate structure plan has not been approved by the Administrator;
- d) any rezoning of land within parameters of the high-water mark for which a permit is required in terms of the Environmental Conservation Act;
- e) any rezoning which is inconsistent with another structure plan applicable to the area concerned, which has been approved by the Administrator;
- f) any rezoning permitting the development without flats and/or town-houses (groups of dwelling houses) in a low density single residential area.

In addition, the Administrator retained his right to adjudicate on appeals from applicants or objectors.

According to a senior CPA official, 90% of the Administrator's powers were delegated to local authorities in terms of this structure plan. However, it is important to note that the CPA's intention was to delegate all the powers that were not very important. Decisions in respect of important items and appeals were still handled by the Administrator. The CCC does not consider that it has received major powers in land use planning (Interviews with Clive Keegan, Chairman CCC Town Planning Committee and senior CCC planner, 1990). A senior CPA official agreed with this interpretation, explaining that the reason for these delegated powers was primarily administrative convenience. The planning section had assumed control of Black local government affairs in 1986 and it found itself with insufficient staff to perform its functions. The 1988 structure plan must be seen very much in the context of trying to delegate certain minor powers in order to speed up the workflow at CPA's town planning branch (Interview with senior CPA planner, 1990).

However, the CCC is also responsible to a certain extent for the fact that few substantive powers have been delegated to it. The fact that it had not drawn up a city-wide structure plan meant that substantive powers could not be delegated. The CPA circular in this regard stated that local authorities should proceed with the preparation of structure plans because this might result in councils obtaining more powers (CPA, GDK/LDC 9/1988C). The CCC did apply for exception from the six items which must be

referred to the Administrator. This request was on the grounds that the city was a large local authority with extensive expertise in its town planning branch (with more than 40 planners it is the biggest local authority town planning branch in the country), which was more than equipped to handle these functions. However this request was turned down by the CPA. Its viewpoint was that this structure plan was intended to be a uniform document applicable to all local authorities for an interim period of five years. It would be difficult to administer if there were exceptions. At the end of 1993 this structure plan would lapse. By that time the CCC should have drawn up its own structure plan which would have allowed it to receive more substantive delegations (Interview with senior CCC planners and senior CPA planner, 1991).

9.6.1 **Cape Town City Council/Cape Provincial Administration Intergovernmental Relations**

All appeals in respect of land use planning are handled in the following way: If there is an appeal, the CCC's documentation as well as the objections must be submitted to the Administrator. Senior planning staff of the physical planning branch go out to examine the erf concerned. In addition, all views of interested parties are thoroughly canvassed. The senior planning staff then make recommendations which are submitted to EXCO. The Administrator, after consultation with EXCO, then makes the final decision (Interviews with senior CPA and CCC officials, 1990).

How has the delegation of planning power affected the intergovernmental relations between the CCC and CPA? From 1986 until 1988 there was little change in the centralised way in which land use planning issues were handled. 1987 saw a major land use controversy between the CCC and CPA. The CCC had turned down an application to rezone a residential property for business use for a service station in Kenilworth. However, on appeal by the applicant, the Administrator rezoned the site without any discussions with those affected, without consultation and without calling for objections. This was despite the fact that there was large-scale resident opposition to business intrusion into the area (The Argus, 1/5/1987; Southern Suburbs Tatler, 24/4/1987). After vociferous resistance to this decision the CCC went to the Supreme Court and won an uncontested victory (by this time, however, the CPA had withdrawn its decision). The applicant then relaunched its application, the CCC turned it down again and the CPA overruled its decision once more. This matter was eventually resolved when the Caltex Oil Co. bought the property and decided not to rezone (Southern Suburbs Tatler, 25/2/1988; Cape Times, 4/12/1987 and 16/12/1987). There were also other occasions when the CCC was vetoed on zoning issues (Cape Times, 2/6/1988).

The Kenilworth garage incident can, however, be considered a turning point in respect of appeals. It caused a great deal of rancour in CCC circles. The CCC and CPA subsequently decided that when there were appeals the MEC

for Local Government, Pieter Schoeman, and the chairman of the CCC Town Planning Committee, Clive Keegan, would go on site visits together. These two politicians developed quite a good rapport with appeals matters also often being discussed informally between them over the telephone. After this relations improved and the CPA became more receptive to the CCC's views when it came to appeals. In line with this shift towards a regulatory approach, the CPA sided with the CCC on most of these appeals. If an appeal was upheld, full reasons for the decision were given to the CCC. Notwithstanding this, it must be reiterated that the Administrator still retained most of the important final decision-making powers.

9.6.2 **The Transfer of Planning Powers to the House of Assembly**

On 1/4/1989 certain planning powers were transferred to the Local Government Department, House of Assembly, in terms of the 'general affairs'/'own affairs' formula. This formula affected the CCC's area of jurisdiction in the following way:

- i) All the Administrator's planning powers in respect of White residential areas were to be transferred to the House of Assembly.
- ii) All planning powers in respect of Coloured and Indian residential areas were to be retained by the CPA.
- iii) All planning powers in respect of White CBDs and industrial areas were to be transferred to the House of

Assembly (CPA diagram, 1989B; Department of Local Government, House of Assembly, 1989).

The transfer of CBDs in particular must be considered rather surprising because of the fact that the city is a free-trading area where Blacks, Coloureds and Indians may trade. In addition, thousands of members of these groups commute and work there. A similar argument, albeit to a lesser extent, can be made about industrial areas. In any event, approximately 80% of planning functions were transferred to this Own Affairs Department.

This also means there are now two LUPO provincial ordinances; one for 'general affairs' and one for 'own affairs'. The White Own Affairs Department soon amended their ordinance. While it was a procedural change to give the Department greater powers to introduce regulations in terms of appeals, it soon became apparent that this duplication had the potential to become an administrative nightmare for everyone concerned. There is now a joint CPA/Own Affairs liaison working committee on land use planning to ensure that changes to the ordinance are done jointly (Interviews with senior officials CPA and Department of Local Government, House of Assembly, 1990).

9.6.3 **House of Assembly/Cape Town City Council Intergovernmental Relations**

In practice, 90% of CCC appeals are now handled by this White Minister's Council. It follows the same procedure as the CPA did for considering appeals, the only difference being that the Ministerial Representative and not the

Administrator has the final decision. Although this thesis only covers nine months of this new relationship, one can already suggest that this White Own Affairs Department's attitude to planning is different from the CPA's and is out of step with the government's supposed policy of devolution. The Department of Local Government's mode of supervision is promotional. Its attitude towards local authorities is similar to the style of supervision used by the CPA up to the mid-1980s (see 9.3 CCC/CPA Hierarchical Relations).

On what basis is this allegation made? This Department is constantly upholding appeals against local authorities' zoning decisions. This Department has however also abandoned the joint site-visit mechanism that the CCC and CPA used in respect of appeals. Its viewpoint is that such visits are a violation of the audi alterem partem rule. It felt that it would be illegal to have a joint visit with only one of the parties concerned in an appeal (Interview with Department of Local Government: House of Assembly officials, 1990).

Furthermore, no reasons were furnished to the CCC for the upholding of appeals. According to a CCC official, one out of every two appeals is upheld by the Ministerial Representative, who has the final say in this regard. This has caused a great deal of disquiet among members of the CCC. Chairman of the CCC's Town Planning Committee, Clive Keegan has stated, in response to this spate of upheld appeals, that "we are obviously powerless to do anything and

have just become feeble, emasculated rubber stamps" (The Argus, 25/10/90).

Why is the Department adopting such a centralist attitude? Three possible reasons can be suggested. Firstly, because of its apartheid orientation, the Department is more likely to have attracted staff of a conservative bent, who are steeped in the traditional bureaucratic centralist attitude to local authorities. However, there is no conclusive evidence to support this claim. Secondly, it is a muscle-flexing exercise. The Department is a new creation and it is attempting to assert its authority on local authorities through these centralist actions. This argument is plausible to a certain extent. It is much smaller than the CPA, and some of these actions can be attributed to attempts to elevate this 'own affairs' structure to the same level as its 'general affairs' counterparts. It is trying to show local authorities that it is a new force that must be reckoned with.

The third argument suggests that the reason for this centralist approach has not to do with any ulterior motive, but relates to the lack of competent planners to handle these functions. It was mentioned by a number of interviewees that although 80% of the CPA's land use planning functions were transferred to the Own Affairs Department, this was not matched by a concomitant transfer of staff. The latter body only had two planners transferred to it, while the CPA retained more than 20 planners on its establishment. In addition, neither of these two planners

was senior staff. The position is that these planners are hopelessly overburdened with work; they have not got the time to review each appeal properly. These centralist decisions must therefore be seen as being just as much due to this inadequacy as to a muscle-flexing exercise.

What were the reasons for this? Firstly, these powers were transferred in great haste. There had not been sufficient systematic investigation into which functions should be transferred. It was felt in government circles at the time, most forcefully by Minister Heunis, that these powers had to be transferred as soon as possible to embody the 'own affairs' component of the constitution.¹⁴ Secondly, there was a great deal of opposition within the CPA to the transfer of such powers for empire building reasons.¹⁵ The structure of the South African public service is such that senior posts depend on the number of subordinate staff there are. If a substantial number of personnel were transferred this would have reduced the staff establishment and led to the abolition of certain senior posts and reduced the prospects for promotion generally. The investigation into which functions could not be transferred was also carried out internally by the CPA's Organisation and Workstudy Department (although it was subject to final approval by the Commission for Administration). It is then perhaps not surprising that insufficient staff were transferred.

In conclusion, there has been a certain amount of decentralisation of planning powers to the CCC. However, these powers are neither major in content nor devolved in

nature. It was pointed out (in 3.4 Functions) that the more relevant functions (those that can be performed in either a devolved or deconcentrated/delegated fashion) that are handled by devolved methods, the greater the extent of decentralisation. In the case of land use planning, what powers have been decentralised to local authorities have been of the delegated variety. Most of the important powers are still held by the Administrator, which is a form of deconcentration, the weakest form of decentralisation. Also, the Administrator and the White Ministerial Representative have the right to hear appeals against CCC planning decisions. The centralist attitude of the latter has, in particular, made a mockery of the government's much vaunted policy of devolution.

9.6.4 Other Central Government Controls

Guide plans control the extent of land use which is potentially available for development in respect of industrial activities, urban development and non-urban areas such as agriculture and environmental resource and amenity. They are binding on all private and public sector bodies (CCC, 1989C : 12). It was pointed out (in 4.5.2 Central State Controls) that central government controlled local authorities' planning through the formulation of binding guide plans. No land could be rezoned for industrial use without state approval. To rezone land for industrial areas the CCC had to get special permission from the Minister of DCDP on two counts: firstly, to amend the guidelines and,

secondly, to rezone land. This was a highly time-consuming process with no guarantee of the rezoning being granted.

It was also pointed out that the Cape Metropolitan Area Guideplan of 1977 in respect of the Cape Peninsula was wedded to apartheid premises. This guide plan was amended in 1984, but not substantially changed. It was still underpinned by apartheid legislation such as Influx Control and the Group Areas Act. Its aim was still to force industrial decentralisation to Atlantis, a Coloured re-settlement area in the Western Cape, by controlling the amount of industrial land available to local authorities in the area (RSA, DCDDP, Draft Guideplan Cape Metropolitan Area, 1984).

The CCC objected to this and made recommendations to the Cape Metropolitan Guideplan Committee. In particular it objected to the Group Areas Act underpinning the guide plan. It also wanted devolution of powers to local authorities on all decisions affecting land use planning and implementation. This request was turned down by Minister Heunis on the grounds that the Council's recommendations to the committee were based on "ideological reasons" (Cape Times, 8/2/1985).

The Abolition of Influx Control Act of 1986 rendered certain of the Metropolitan Guideplan's provisions out of date. It was accordingly amended again in 1988. However, central control over industrial rezoning still remained. The report still laid a high emphasis on the development of Atlantis as an industrial area (CCC, 1989C).

There are also other important functions that affect land use planning and that are still controlled by central government, such as the power to set urbanisation policy and to establish legislation in this regard (CCC, 1987B : 12).

9.6.5 Western Cape Regional Services Council Planning Powers

The WCRSC has also assumed certain planning powers. It is responsible for ensuring that any changes in the land use in the Cape Metropolitan Guide Plan are consistent with the guidelines laid down therein. All land use development of a regional nature must accordingly be considered by the WCRSC (CCC, 1989C : 5; WCRSC, 1990). The chairman of the CCC's Town Planning Committee, Clive Keegan, is concerned that these powers are going to erode the CCC's autonomy. Applications by the private sector for amendments to the guide plan now go directly to the WCRSC; consent is not needed by the CCC for such rezonings within its area of jurisdiction. There has already been one such case and the fear is that this type of application will increase and accordingly further circumscribe the CCC's autonomy (Interview with Clive Keegan, 1990).

9.7 PERSONNEL

9.7.1 The Municipal Service Commission

It was pointed out (in 7.5 Remuneration of Town Clerks Act) that the government had assumed control of the remuneration packages of senior officials in local authorities to such an extent that the personnel system that now existed was a mixture of a separate and an integrated model. However,

over and above these centralist measures, there was also a sui generis piece of legislation which further eroded the CCC's autonomy in respect of its personnel practices. This will now be examined.

The Diemont Commission of Enquiry into the Administration of the Town Planning Scheme of the CCC in 1963 found that there were certain irregularities in the staffing practices of the municipality. This came about as a result of the blurring of executive and legislative functions under the Multiple Committee structure (see 4.4.2 Urban Local Authorities) which was then utilised by the CCC.

Councillors were involved in the actual running of staff affairs of the CCC, and it gave them much scope to influence staff appointments. The Commission recommended that an independent investigation be instituted with the view to arriving at the best form of local government for the city. This led to CPA appointing the Slater Commission to investigate the functioning of the CCC's organisational structure. Slater found that this system gave the council almost unfettered power over staff, a situation which allowed for some dubious staff practices and was the cause of much dissatisfaction amongst employees (CPA, de Klerk, 1975 : 31-6).

Many of Slater's recommendations pertaining to staff matters were embodied in the Cape Town Municipal Ordinance 24 of 1965 (which replaced the Multiple Committee with the Management Committee system - see 4.4.2 Urban Local Authorities). Provision was made for a three-person MSC,

with the Administrator appointing the members from a list submitted by the CCC (CPA, de Klerk, 1975 : 7-8). However, the powers of the MSC were limited. Accordingly, a great deal of conflict of functions developed between MSC on the one hand and councillors and officials on the other. There was a general non-acceptance of the system by the CCC who felt it had been imposed upon them. In addition, the system was rather cumbersome. The MSC was a part-time commission and this, along with the elaborate process that had to be followed, led to lengthy delays when appointing staff (CPA, de Klerk, 1975 : 22-25).

As a result of these problems, the de Klerk Commission was appointed by the CPA in 1975 to investigate the functioning of the MSC. The Commission made a number of recommendations, inter alia, that the MSC should be a full-time body (to obviate time delays), that a senior person of the CCC's staff should be appointed as chairman of the MSC (to give it more credibility), and that union representatives should be members of the Commission (as a result of representations from the CCC unions, South African Association of Municipal Employees [cited hereafter as SAAME] and Cape Town Municipal Workers Association [cited hereafter as CTMWA]) (CPA, de Klerk, 1975 : 26-33).

It took the CPA six years to act on these recommendations. When they eventually did in 1981, it was in a way that eroded CCC autonomy. The exclusive right to appoint and dismiss staff was removed from the CCC. Legislation was introduced which made provision for an Administrator-

appointed chairman of the MSC. The MSC was vested with the powers to make appointments and promotions up to a certain salary level. Senior promotions were, however, decided by the EXCO and the Town Clerk was appointed by general council. Provision was also made for one representative of the CCC, one from SAAME and one from CTMWA on the MSC. These representatives were chosen by the Administrator from a short list prepared by these organisations. If the Administrator was not satisfied with the names on the list he could forward his own nominees. Although the CCC was responsible for the remuneration of this official he/she could be dismissed only by the Administrator (CPA, Municipal Amendment Ordinance, No. 6 of 1981).

Why was the MSC amended in this centralist manner? The reasons were outlined by the MEC for Local Government, Hernus Kriel, when he introduced this legislation in the Provincial Council. He accused the CCC of inefficient administration and of discriminating against Afrikaans-speaking people, pointing out that only 6,9% of the top posts in the CCC were filled by this group (Cape Provincial Debates, 13/8/1981 : Col. 1980).

Besides these specific reasons there were also more general reasons. As pointed out (in 9.3 CCC/CPA Hierarchical Relations) Kriel's tenure as MEC for Local Government was characterised by the diminution of CCC's autonomy. At that stage the CCC was regarded by the government as a dangerously 'radical' local authority whose

wings had to be trimmed accordingly; the legislation must be seen in this light.

The CCC protested vigorously against what they regarded as unsubstantiated allegations together with this new centralist legislation. However, this was to no avail and this new ordinance was pushed through. This made Cape Town unique in that it became the only local authority whose employer/ employee relationships are largely managed by an Administrator-appointed body¹⁶ (Craythorne, 1982 : 369).

The first and only occupant of the post was Dr L. Fick, an erstwhile colleague of the MEC at the conservative CDC. Kriel had been chairman of the CDC before he went into politics, while Fick was in charge of the personnel section (Cameron, 1986B : 69).

The CCC, however, never accepted the legitimacy of this system. It was also not happy with certain aspects of the operation of the MSC. For example, the CCC felt that the MSC got involved in too many matters that could have been left to line management (CCC EXCO Minutes, 1985A). Certain of the CCC's departments were also unhappy about the nature of appointments that had been made. The CCC had already made an abortive attempt to get rid of the MSC in 1985.

As a result of further representations from the CCC in the late 1980s, the CPA set up the Hugo Commission of Inquiry in order to ascertain whether or not there was still justification for its continued existence. Its findings were, firstly, that comprehensive regulations in the field of labour relations since 1981 meant there were no longer

any policy considerations nor legal warrant for provincial legislation to cover the same field of employer/ employee relations. These developments in labour relations included the abolition of job reservation, the opening up of labour unions and the system of negotiation to all workers, the establishment of an Industrial Court and the adoption of the concept of "unfair labour practice" as a framework within which both workers and employers would be able to formulate their complaints (CCC, EXCO Minutes, 8/8/1989A).

The report also said that the operation of a service commission as an independent element in the municipal administration, owing no responsibility or accountability to the elected councillors or the rate-paying public for its operation in the staff field (which amounted to 40% of budgeted operating expenditure), was not sound in principle. This recommendation would be in line with the government's devolution of power policy, the spirit of which was beginning to permeate down to the CPA at the time. It has already been pointed out that the CPA was shifting from a promotional towards a regulatory mode of control over local authorities. Another finding was that the service commission had failed to achieve the objectives contemplated when it was first introduced. This implied that the MSC had not led to more efficient administration (CCC EXCO Minutes, 8/8/1989A).

The report recommended that the CPA negotiate the establishment of an Industrial Council with staff associations. In the interim and with effect from 1/1/1990,

the Town Clerk was to take over all the functions and powers of the MSC (CCC EXCO Minutes, 8/8/1989A).

How can the MSC be evaluated? Its operation, as Donald Craythorne (1982 : 369) pointed out,

... in effect allows the provincial authorities to politicise the Cape Town municipal service, to give secret orders on the recruitment of staff to the commissioners, and to destroy the governing power of the city council.

Did the MSC in practice, however, operate as a 'Trojan horse' undermining the autonomy of the CCC? The answer is inconclusive. It was pointed out that MSC control over certain senior appointments is limited. The chairman was also sometimes outvoted by the other three MSC representatives. Nevertheless, being chairman of the MSC was a pivotal and rather influential position. Fick was the only full-time representative and had greater specialist knowledge of personnel practices than his MSC colleagues. He was partly responsible for the influx of Afrikaans-speakers into the CCC in the 1980s, particularly at management level. However, such appointments could have been made purely on merit.

The chairman also met periodically with the Administrator. One does not know if any secret orders were given at these meetings (Cameron, 1986B : 69-75). However, according to a senior CPA official, these meetings no longer took place in the late 1980s. Nevertheless, despite how this system actually functioned in practice, its existence per se must be considered a serious brake on the CCC's

autonomy in that the CCC had no say over Fick's appointment and continued employment, nor his ability to influence the staff composition of the council.

What about the United Nations argument that, in terms of a separate personnel model, central government intervention is needed to ensure the efficient operation of local authorities' personnel systems? (see 7.5 Remuneration of Town Clerks Act). It is fair to say that the inefficient functioning of the CCC's personnel system was the initial precipitant for CPA control. It can also be cogently argued that this system has led to the elimination of the bottlenecks that used to occur at the MSC and that union representation has safeguarded the rights of the workers to a certain extent.

It can, however, be argued that United Nations control was referring primarily to control of an indirect kind. The type of system that the CCC had in the 1980s was characterised by 'hands-on' provincial intervention. While some intervention was possibly justified to improve the CCC's personnel practices, the CPA's measures went far beyond the indirect setting of procedures and norms advocated by the United Nations. The introduction of the MSC must be considered as the imposition of aspects of the more centralised unified model on the CCC (see 3.2.3 Unified System).

9.7.2 **Effect of Remuneration of Town Clerks Act on the Cape Town City Council**

How did the introduction of the Remuneration of Town Clerks Act, which introduced elements of the centralised integrated model, affect the CCC? (see 7.5 The Remuneration of Town Clerks Act). The 92,5% clause did not cause much changing of grading of senior officials as the CCC's salaries were roughly in accordance with what the Act proposed. The linking of remuneration and service benefits of the town clerk (and indirectly of senior local government officials) to those of Deputy Director-Generals in the public service has caused certain problems in that the public service (unlike CCC personnel regulations) does not make provision for paying out of leave on pension. Local authorities were entitled to pay out salaries in lieu of leave in terms of the Labour Relations Act. The CCC has in the interim worked its way around the Remuneration Act by paying out staff who were appointed before the introduction of this legislation. In the long term, however, the Act will cause local authorities to change this system (Interview with senior CCC official, 1990).

9.7.3 **Effect of Training Board Activities on the Cape Town City Council**

The Training Board's activities have been rather low profile in the region (see 7.10 Local Government Training Act for a description of the structure and functioning of the Training Board). One interviewee called it a "talking shop". A number of CCC representatives and officials were on the Western Cape Sub-Regional Training Committee for Local

Government, which identified training needs for the region. Dr Fick, chairman of the MSC, was also chairman of the Sub-Regional Training Committee. There was an attempt by the committee to establish regional training facilities for local authorities; however, this never got off the ground. The CPA objected to this proposed regional training facility because it was largely seen as a CCC initiative and the CCC was seen as "politically unacceptable to Afrikaans-speaking municipalities in the region" (Interview with senior CCC official, 1990). As a result the CCC has limited involvement in Training Board activities. It has a well-established training section of its own where its personnel receive in-house training.

The Western Cape Sub-Regional Training Committee has five full-time training officers at its disposal and also employs consultants from the private sector. Training programmes are provided for local authorities which do not have their own training facilities, such as smaller White municipalities and BLAs. The committee has, however, insufficient staff and finance at its disposal to run training programmes in a comprehensive fashion.

The CCC (as a result of Dr Fick's instigation) has submitted some courses to the Training Board's Evaluation Committee for approval but most of them have not been accepted. Initially, all courses registered in terms of the Manpower Act were granted automatic approval. However, this was soon changed because it was felt that not all of these courses were appropriate to local government. The CCC now

had to submit all its courses to the Training Board if it wanted reimbursement. The reason that these courses fell foul of the Evaluation Committee is that they did not meet the strict procedural norms that were required for approval of courses (Interviews with senior CCC official, 1990 and Western Cape Sub-Regional Training Committee Training Officer, 1991).

9.7.4 Elected Councillors

The fact that CCC councillors are directly elected, as opposed to being indirectly appointed by a higher tier of government, is in itself conducive to decentralisation (see 3.4 Other Personnel Indices). Although the Administrator has the power to dismiss councillors who fail to carry out the provisions of lawful legislation or regulations, this has not been used against the CCC (or any other local authority [see 7.13 Cape Municipal Amendment Ordinance, No. 3 of 1986]).

9.8 THE CAPE TOWN CITY COUNCIL'S LOCAL OPTION

During the formulation stage of local government policy the CCC submitted numerous recommendations to state departments and government commissions. The constant threads running through these submissions were, firstly, the rejection of statutory racial separation at local level. The CCC's policy was that all owners and occupiers of immovable property should be able to vote for and stand for council. It was also opposed to the fragmentation of its municipal area into ethnic local authorities (CCC, 1981A : 9-10).

Secondly, it rejected the RSC system primarily because it was based on apartheid structures, and because it was felt that its introduction would lead to an erosion of its powers and functions (Cameron, 1986B : 259-261). It called for the establishment of structures flexible enough to take cognisance of local conditions (Cameron, 1986B : 228). This section will briefly look at how CCC's attempts to be allowed to adopt more liberal policies in the form of a local option fared.

The motivation for the CCC's local option was the pending introduction of RSCs. The first instalment of 'own affairs' in late 1985, in the form of House of Representatives-administered education, saw school boycotts in protest against LP policy, which subsequently turned into insurrection in the streets. Tourism, the lifeblood of the Western Cape economy, suffered severely in the context of an already stagnating regional economy. For a number of CCC's councillors it became paramount to ensure that RSCs, underpinned by unrepresentative Black, Indian and Coloured local authorities, were not introduced in the region. They feared that its introduction would also lead to political unrest (Cameron, 1987 : 66).

Attempts to organise a local option in the region had already been initiated in May 1985. At the annual CCC meeting, a motion was proposed by Councillor Joan Kantey, calling on EXCO to consider approaching neighbouring local authorities and civic organisations for discussions about constitutional alternatives for the region. Kantey was

subsequently authorised by EXCO to examine the feasibility of setting up a broadly based commission on local government in the Cape Peninsula along the lines of the Buthelezi Commission in Natal (The Argus, 26/7/1985).

Two months later at an informal meeting attended by certain councillors, academics and local businessmen, it was decided that such a commission should be established under the auspices of a public authority with credibility in the Black community, like the CCC. The group felt that all local organisations and groups with public standing should be represented on the commission and proposals should be directed towards the community of Cape Town rather than the government (CCC workshop, 20/7/1985).

Violence then erupted on Cape Town's streets. The CCC then opened up a second initiative, embarking on a "call for dialogue". The mayor and chairman of EXCO were directed to invite civics and other organised community groups to submit their views on subjects ranging from the most appropriate system of local government for metropolitan Cape Town, the municipal franchise and the proposed RSC, to matters associated with the unrest (The Argus, 17/8/1985).

The report was released in July 1986. It stated that there was "virtually unanimous" support among civic and other political associations for the council's stance on an apartheid-free local option for the city. Virtually everyone who submitted evidence called for a common voters' roll to be introduced in the city (Cape Times, 7/6/1986 and The Argus, 12/6/1986).

Meanwhile, as a result of Kantey's initiative and in an attempt to halt the "escalating violence and the alarming deterioration of race relations" in the region, the CCC's constitutional committee (an ad hoc sub-committee) was requested to convene a Cape Metropolitan Peace Conference "that would draw up a manifesto for non-racial democratic local government" (The Argus, 31/10/1985 and 11/11/1985). A motion was passed to invite all sections of the community to meet with the council and find solutions to the crisis. The constitutional committee was given approval to establish a secretariat for the peace initiative, expand its membership for appointing councils, co-opt special advisers and investigate ways of raising funds to finance the initiative (The Argus, 3/12/1985).

The former leader of the PFP, Dr Frederik van Zyl Slabbert, was offered and accepted the position of facilitator to promote the aims of the conference. His role was to attempt to get as many leaders as possible from all disparate groups in the region (Cape Town Bulletin, September 1986 : 2). At the end of 1986 Slabbert submitted an interim report in which he stated that he had made exploratory contact with a number of community organisations (Interview, 1986).

In January 1987, however, Slabbert advised the CCC to place the initiative in cold storage. The major reason was that the State of Emergency had decimated community organisations. Such leaders were either detained or in hiding. Secondly, given the tight higher-tier control,

there was the feeling that the CCC did not have the capability to deliver a non-racial local government system (Hendricks, 1987 : 6). The initiative was then temporarily shelved by the CCC and it did not surface again during the rest of the 1980s.

Part of this local option strategy involved lobbying the central government. The CCC opposed provisions of the Promotion of Local Government Affairs Amendment Bill of 1983 because it involved centralisation of power and entrenchment of ethnicity. It sent a delegation to the Minister of DCDP to discuss the provisions of this bill and to ask whether it could be allowed to adopt its policy. They were strongly rebuked by the Minister, being told their policy of non-racial representation could not be considered as this was contrary to government policy. Such requests should have been conveyed through the correct channels, viz. Cape Provincial Municipal Association (cited hereafter as CPMA) and UME, which had already accepted this legislation (CCC EXCO Minutes, 28/6/1983).

Four years later the CCC approached the Minister again for another meeting, this time with a delegation consisting of CCC representatives, local businessmen and academics, to discuss delaying the introduction of the RSC and to talk about a local option for the Western Cape. Minister Heunis turned down the request flat, saying that the RSC Act had been preceded by "many years of investigations and consultations with all the parties concerned" and that the Western Cape RSC was soon to be introduced (The Argus, 10/3/1987).

The CCC also attempted to lobby the Administrator. It wrote to him requesting a meeting to discuss the possibility of a local option. He responded by saying such a request was futile because it was contrary to government policy and that RSCs were fait accompli (CCC EXCO Minutes, 15/1/1986B).

The CCC had not fared much better through the conduit of CPMA. At the CPMA congress in 1984, it tried to raise its objections to the new racially-based local government dispensation, but was prevented from doing so by CPMA president Dr T.G. Schlebusch, who said it was not for the congress to enter into political discussions. The CCC's was the only objection to the new constitutional set-up at the conference (The Argus, 2/5/1984).

At the 1986 CPMA congress the CCC tried to drum up support for local options as a substitute for RSCs. There was, however, little support for the CCC's position. Despite its opposition, a motion was passed accepting the RSCs as a starting point for evolutionary reform (Cape Times, 21/4/1986).

Three indices of the framework of analysis are useful when analysing the CCC's local option endeavours. Firstly, it was pointed out (in 3.7 Hierarchical Relations) that the ultra vires doctrine can be highly restrictive. This is clearly the position in South Africa. This case study is a good illustration of how local authorities have been allowed little leeway to adopt structures of their own choice.

Furthermore, because of apartheid, the application of ultra vires doctrine in South Africa is more restrictive

than in most other countries that have this system. Its application has not just meant that local authorities could only perform functions or adopt management structures authorised by a higher tier of government. It has also meant that local bodies have been forced to have segregated voters' rolls and racially fragmented local authorities. They have also had the pattern of their residential neighbourhoods demarcated for them on a racial basis by the central government, and major invasions of autonomy in respect of African administration.

The other component of the framework that is of relevance is the question of access; viz. the ability of local government to penetrate national policy-making (see 3.3 Access). As this case study has shown, the CCC had little influence on national policy-making. The reason is that, although ostensibly non-party-political, the CCC has traditionally pursued liberal anti-apartheid policies. It is also a predominantly English-speaking institution in that the majority of its councillors and employees are English-speaking (Cameron, 1986B : 36-45). This English anti-apartheid institution has, perhaps rather self-evidently, had little influence on the Afrikaans-dominated NP, whose new local government system of the 1980s was premised on neo-apartheid. Conversely, the CCC's policy has raised the ire of the NP and has strengthened government attempts to curb its autonomy.

The CCC's limited influence on CPMA has already been pointed out. At the time it was trying to engender support

for its local option, most Cape local authorities were NP-controlled.¹⁷ Accordingly, its endeavours received little sympathy. While the CCC's attempts have had little influence on the political aspects of policy, it has had a certain amount of influence through its technocrats (also see 3.3 Access) on some of the more technical aspects of policy. For example, the City Engineer's Report on metropolitanisation was used by the CPA when it was drawing up the Western Cape RSC. This was, however, only in respect of technical regional planning issues¹⁸ (Cameron, 1986B : 259).

Thirdly, the party politics index (see 3.5 Party Politics), although closely linked to that of access, is of relevance. The CCC did have a large number of councillors who were PFP members and who theoretically could have taken up this issue of the CCC's local option with national PFP representatives in Parliament. However, the ability of anti-apartheid national PFP representatives to persuade the NP government to adopt non-racial local government policies was non-existent in the 1980s.

9.9 CONCLUSION

In conclusion, it can be said that a certain amount of decentralisation of powers to the CCC has occurred. However, these powers have by and large not been major in nature. In the case of finance, certain minor powers have been delegated to local authorities. Offsetting this is greater macro-economic control by the Department of Finance in the 1980s, particularly in respect of operating expend-

iture. Furthermore, the inelasticity of its rates base is another impediment to CCC's autonomy. It still has a reasonable amount of autonomy in terms of the objects on which it is allowed to spend its money.

When it comes to planning, certain minor powers have been delegated to local authorities. In addition (depending on whether it is a 'general' or 'own' affair) the Administrator and the Ministerial Representative have the right to uphold appeals against local authority decisions. If the CCC, however, drew up structure plans for its area of jurisdiction, the possibility exists that it could be vested with greater powers. Perhaps the most significant piece of devolution has been in the field of personnel, where the CCC now has the exclusive right to appoint and dismiss its staff. Offsetting this is the fact the Remuneration of Town Clerks Act has indirectly linked the remuneration and service benefits of all senior officials to those of Deputy Director-Generals in the public service. Conversely, in the field of constitutional relations, there has been no decentralisation of powers at all. The CCC has been allowed no leeway to choose a local option system of municipal government.

Finally, in respect of hierarchical relations, it can be said the CPA is now adopting a more flexible regulatory approach towards the CCC but this co-exists with elements of its previous promotional approach. The Department of Local Government, House of Assembly, however, has a centralist promotional approach towards the CCC.

CHAPTER X

CASE STUDY II: ATHLONE AND DISTRICT MANAGEMENT COMMITTEE

10.1 INTRODUCTION

Athlone is a Coloured residential area on the Cape Flats, within the municipal area of Cape Town. The ADMC was formed in 1964. In the 1980s, it was the largest Management Committee in the country.¹ Its surface area of 3 120 ha encompasses much of the Cape Flats and includes no less than six House of Representatives parliamentary seats (Bonteheuvel, Hanover Park, Heideveld, Liesbeek, Manenberg and Silverton). Its population numbered 214 906 in 1989. It has the largest number of low-income council houses in its area of jurisdiction. The total number of housing units within its area was 35 118 in 1989 (ADMC, 1989) (see Annexure D for map).

Party politics is prominent in ADMC affairs. It was LP-controlled throughout the 1980s. Of the four Management Committees that the CCC administered throughout the 1980s,² ADMC was the one which undoubtedly had the worst relationship with its 'mother' White local authority (see 10.4 ADMC/CCC Relations : 1980-1984).

It was pointed out (in 4.7 Coloured and Indian Local Government) that there was opposition to Management Committees for a wide variety of reasons. The most

important of these were that Management Committees lacked executive powers and were apartheid-based structures. In the more politicised Cape Flats, where the majority of Coloureds live, opposition to these bodies has always been strong. There exist a number of grassroots-based civic associations, commonly known as 'civics', in this area which mobilise around local issues. A number of residents use these civics, and not Management Committees, through which to articulate their grievances (Cameron, 1986B : 113-114). The low level of legitimacy of the ADMC is reflected in its election polls since its establishment (its members were nominated prior to 1972):

1972	6,0%
1977	14,5%
1978	6,8%
1983 (by-election)	1,81%
1988	13,24%

(CCC, 1984A; Cameron, 1988A : 24).

Another indication of the low level of support for this system is the findings of a survey undertaken by the CCC in ADMC's area of jurisdiction. Only 10,5% of respondents favoured the Management Committee system compared with 78,3% who wanted an integrated council (The Argus, 21/4/1989).

In this chapter an examination will be undertaken of the extent to which power has been decentralised to the ADMC. Selected aspects of the framework of analysis will be used in this regard.

10.2 ACCESS: A CONCEPTUAL PARADIGM

It was pointed out (in 2.2. Terminology) that the classical English local government model has the following characteristics:

1. Local authorities should be constitutionally separate from central government and be responsible for a significant range of services.
2. They should have their own treasury, separate budget and accounts and their own taxes to produce a substantial part of their revenue.
3. Local authorities should have their own personnel with the right to appoint and dismiss such staff.
4. Policy should be decided by local councils, predominantly consisting of elected representatives.

It is contended that the tricameral system gave these Coloured and Indian local structures greater influence. Although Management Committees/LACs did not have any of the above characteristics, with the exception of part of No. 4 (these advisory structures being largely elected) the concept of access can help clarify this proposition. It is the only index of the framework of analysis which is of major utility in this chapter.

Access has been defined as the ability of local government to influence national politicians and policy-making affecting local authorities (Rhodes, 1980 : 577). There are two issues that have to receive attention:

- (i) How frequent and important are direct forms of access between individual and central actors involving bilateral direct relationships between individual local authority actors and central actors?
- (ii) Do these patterns of access give local government privileged access to central government decision-making processes? (Rhodes, 1981 : 33; Page and Goldsmith, 1985 : 8). (Also see 3.3 Access).

Herein lies the reason for increased Management Committee/LAC powers vis-a-vis their mother local authorities. Coloureds and Indians now had political representation at central level which, as will be shown in this chapter, gave the ADMC a conduit through which its demands and problems could be addressed.

10.3 THE TRICAMERAL SYSTEM: GREATER ACCESS FOR MANAGEMENT COMMITTEES/LACS

The formation of the Houses of Representatives and Delegates in September 1984 gave Management Committees/LACs much greater clout in their negotiations with local authorities. These local structures now have easy access to Coloured and Indian MPs at central level and, at one time, even had members in the cabinet taking up the cudgels on their behalf. However, access per se is not sufficient to ensure greater influence. It is contended that the reason for this greater influence is due to the fact that the interests of

the government and the Coloured and Indian political parties converged on the issue of giving these local representatives greater say in the running of their own areas.

From the state's perspective, one of the major aims of 'Total Strategy' was to strengthen the powers of the White minority government by incorporating significant elements of the Coloureds and Indians into a multi-racial alliance against the force of radicalism. The promotion of Coloured and Indian representatives at all levels of government accordingly became an important objective (see 6.2 Total Strategy).

More specifically, Management Committees/LACs were crucial to the extension of 'own affairs' as well as being the building block of RSCs and were consequently promoted by the state.

To understand the perspective of the LP one has to examine the close relationship between national MPs and Management Committees/LACs. Most Coloured Management Committees/LACs are dominated by the LP. Its policy is "to keep a tight grip on Management Committees to derive maximum political benefit for the party" (Cape Times, 24/6/1985). The committees were the powerbase of the party after the dissolution of the CPRC and many of its MPs graduated from their ranks. Minister of Local Government, Agriculture and Housing in the House of Representatives, David Curry, was

also President of ASSOMAC for a number of years. Until 1988 a number of Coloured MPs, including Minister Curry and the chairman of the Minister's Council of the House of Representatives, the Rev. Allan Hendrickse, were simultaneously members of Management Committees (see 10.9 'Two Hats' Phenomenon). All these factors ensured that the LP controlled most Coloured third-tier structures in the country.

The thinking of the LP was that the increased powers for Management Committees/LACs would give the latter bodies greater scope to promote patronage and increasingly broaden their support. This would, they hoped, lead to greater legitimacy for all Coloured (and Indian) participants in government structures, given the fact that most Management Committees/LACs were controlled by the major political parties (Cameron, 1991 : 34-35). Various manifestations of this greater access will be examined later in this chapter.

10.4 ATHLONE AND DISTRICT MANAGEMENT COMMITTEE/ CAPE TOWN CITY COUNCIL RELATIONS: 1980-1984

Because Management Committees are by law still an integral part of the local authority in which they are geographically situated, ADMC along with the three other Management Committees were controlled and administered by the CCC. They had to exercise their functions under the control and supervision of the CCC. Until 1985 ADMC had never had any

final decision-making powers. Its function (and that of the other three Management Committees) was to promote the interests and welfare of the inhabitants of its area by bringing matters to the attention of their 'mother' local authority. The ADMC had to be consulted on a number of issues by the controlling local authority, but the latter was under no obligation to heed requests from ADMC or the other three committees.

Despite the fact that the objective of ASSOMAC, viz. direct representation on (White) local authorities, is the same as the CCC's, the relations between the CCC and its committees have often been strained. It was pointed out (in 4.7 Coloured and Indian Local Government) that until 1971 a non-racial voters' roll, albeit based on qualified franchise, existed in the Cape. This limited representation was effectively ended by provincial legislation in that year. The CCC fought tooth and nail against the disenfranchisement of Coloureds at local level, without success. The council erected a plaque in the entrance foyer of the City Hall in dedication to the meritorious services rendered to the City of Cape Town by its 'non-white' councillors. It also took a 'Day of Vow' pledge that it would do everything in its power to get Coloureds back onto the roll. It has constantly reaffirmed this pledge and it is this Day of Vow that has often dictated its attitude

towards Management Committees (Cameron, 1986B : 112-113; 1988D : 55-56).

Since their introduction the CCC has barely tolerated Management Committees, often disregarding regulations pertaining to them, or at best heeding them half-heartedly. It has generally regarded these bodies as an extension of the apartheid policy that has been imposed upon it. It also regards Management Committees as costly, time-wasting and inefficient, arguing that their functioning leads to inconsistency, misunderstanding and confrontation (The Argus, 20/5/1987).

The Management Committees, led by ADMC, in turn constantly accused the CCC of failing to provide amenities and utilities in their areas, of using this 'lily-white' attitude to direct representation as an excuse to evade its lawful responsibilities. They also accused the CCC of keeping them in the dark about policy in their areas. They claimed that their recommendations and requests on specific items were often ignored, that they were often not advised of decisions taken on matters in respect of which they were consulted, and that projects were carried out in their areas without their being informed. A cardinal issue of contention was the CCC's refusal to allow Management Committees permanent representation in respect of their areas on CCC standing committees, even on an advisory basis.

The CCC argued that to concede to such a request would be a betrayal of its Day of Vow. It maintained that Management Committees were treated in exactly the same way as any outside person or body who wished to address a standing committee on an issue; viz. by invitation or by a request which had to be approved by the respective standing committee (CCC, 1978; 1981B; 1981C; 1984B; 1984C).³

Management Committees have during the years ceased operations and on more than one occasion suspended relations with the CCC because of its alleged non-cooperation. Matters between the two bodies reached a nadir in 1981 when the SATV allowed Management Committees to make a virulent 15-minute attack on the CCC's refusal to allow them on standing committees, while allowing the CCC only two minutes to reply. The CCC responded with a full-page statement in the newspapers, accusing the Management Committees of making wild and inaccurate statements (Cape Times, 16/12/1981).

Management Committees constantly complained to the Administrator and on one occasion to the then Minister of Internal Affairs, Chris Heunis,⁴ about the CCC's attitude. The ADMC, being the biggest and largest Management Committee, usually took the lead in objecting to the CCC's generally scornful attitude to these bodies. Over the years there was a stream of circular correspondence among the Management Committees, the CCC and the CPA. There were also

meetings between the parties concerned. As a result of these representations certain concessions were made by the CCC, such as the granting of a monthly liaison meeting between EXCO and Management Committees and the creation of an extra senior administrative post to liaise with Management Committees (CCC, 1984B). Further, in 1979 all Cape Management Committees were given a say in the preparation and handling of their budgets (SAIRR, 1978 : 24). This was intended to give Management Committees more experience in managing their own budgets, and was considered a move in the direction of autonomous Coloured local authorities. However, this did not confer final decision-making powers. Their budgets still had to be approved by the CCC.

The NP-controlled CPA was greatly dissatisfied with what they considered the political stance of the CCC, which they thought was intended to embarrass the government (Interview with CPA official, 1988). At the end of 1981 the Administrator sent letters to 146 municipalities, requesting them to give an account of how relations with their Management Committees were faring. Only the feedback of the CCC was negative. This further raised the ire of the CPA (Cape Provincial Debates, 2/3/1982: Cols. 427-428). However, the problems of creating separate ethnic local

authorities bedevilled the CPA's attempts to ameliorate the situation (see 4.7 Coloured and Indian Local Government).

10.5 ATHLONE AND DISTRICT MANAGEMENT COMMITTEE/ CAPE TOWN CITY COUNCIL RELATIONS: 1984-1989

It was pointed out (in 7.11.2 Financial Decision-Making Powers for Management Committees/LACs) that the government introduced regulations to allow Management Committees greater participation in the running of their areas. One of the regulations made provision for the representation of Management Committees on Standing Committees of councils.

The CCC Management Committees accordingly requested that this regulation be adopted. However, the CCC rejected this request in favour of a motion affirming its support for direct representation of all its citizens as "the only acceptable and practicable form of local government for Cape Town" (Cape Times, 21/12/1984). It did not subsequently disregard all the regulations totally, but adopted only some of them, excluding the request for representation on standing committees. This meant that Management Committees did not enjoy a great deal more participation than before.

This led to the Management Committees breaking off the liaison committee with the CCC, accusing it of deliberately deceiving them (The Argus, 18/4/1985). They wanted nothing less than control over their budgets and allocation of funds for their own areas. However, they now had an important

ally in the House of Representatives whose leader, Rev. Hendrickse, had been appointed to the Cabinet. This House put pressure on the government to give Management Committees final decision-making powers, with Minister of Local Government Curry arguing that obstructionism by White local authorities could lead to the sabotaging of the new constitutional deal (The Argus, 22/3/1985). The Local Government Affairs Amendment Act of 1985 accordingly made provision for Management Committees to acquire final decision-making powers (see 7.11.2 Final Decision-Making Powers for Management Committees/LACs).

Despite a broad agreement amongst CCC's Management Committees not to accept these powers (because they were seen as a step towards independent Coloured local authorities and, accordingly, an extension of apartheid), ADMC - much to the chagrin of the other committees - reneged and asked for decision-making powers in respect of a number of substantive items. The powers it requested included the appointment and dismissal of staff, the allocation of business licenses, the allocation of houses and eviction of tenants, the approval and planning of new housing schemes, the planning, provision and allocation of sports facilities, approval of tenders for projects, and final say in the leasing and utilisation of immovable property. The Director of Local Government, CPA, subsequently wrote to the CCC

asking which of these functions could be transferred to the ADMC. The following issues, namely financial implications, staff requirements and other relevant factors, had to be taken into account by the CCC when making such a decision (CCC, 1986D).

The CCC vehemently objected to this. It said that if these powers were granted, the anomalous situation would arise whereby the committee would be given decision-making powers without accountability. The CCC was concerned that it would be involved in financial consequences and legal disputes arising from imprudent decisions by the committee over which it had no control. It argued further that most staff performed their functions on an area basis which contained both White and Coloured suburbs. If a committee took over a function either it or the CCC could face staff shortages. This could lead to costly duplication and the creation of unnecessary posts. In view of this, the CCC recommended that if transfer of powers to Management Committees occurred, this should only take place within certain parameters of which the most important were:

1. The ADMC should only be given decision-making powers in respect of 'own services' intended solely for its area.
2. There should be no transfer of CCC staff to the Committee without the consent of the persons concerned.

3. Decisions by the Committee on matters involving financial consequences should be confined to items on an approved set of estimates, or limited to income emanating by way of rates, fees or charges from within the Committee's area.
4. The Committee should not be empowered to take decisions which would involve the CCC in additional unbudgeted costs.
5. Compensation should be paid for assets transferred to the Committee.
6. The CCC must be indemnified against all costs, claims or charges arising directly or indirectly from the devolution of power (CCC, 1986C).

The Administrator subsequently held further meetings with ADMC. The Director of Local Government, CPA then wrote a letter to the CCC suggesting that discussions be held between delegates from the CCC and his Administration at the earliest possible opportunity, where practical problems impeding the assignment of final decision-making authority could be addressed (CCC, 1986D).

Due to legal and financial difficulties (described in 7.11.2 Local Government Affairs Amendment Act of 1985) this process became bogged down and ADMC did not, in fact, acquire these powers. However, this was not the only reason. Certain local authorities, despite these

impediments, did receive powers. There was a more explicit political reason for this, which will now be examined.

The LP was in favour of Coloured Management Committees /LACs acquiring extra decision-making powers. David Curry said that "until direct representation at local government level becomes a reality the transfer of final decision-making powers to Management Committees is the name of the game" (CCC, 1988C). In particular, he saw Management Committees/LACs having decision-making powers in respect of development, viz. housing and urban upgrading, but he rejected the creation of a separate administration and infrastructure for these communities. This arrangement would enable the bodies to utilise their respective White local authorities' staff in development projects. It would not involve taking over local authorities' traditional functions such as water and electricity supply (Debates of Parliament, 20/3/1989 : Cols. 3435-36; 17/6/1989 : Col. 948).

However, the enthusiasm for those 106 powers was not shared by all at Coloured and Indian local government level. An attempt to foist extra decision-making powers on LACs was rejected by the Natal Association of Local Affairs Committees (cited hereafter as NALAC) because it viewed this as a step towards eventual independent ethnic local authorities (Sunday Tribune, 29/3/1987).

Cape Management Committees faced the same dilemma. They called for direct representation, yet participated in apartheid structures, arguing that there was no alternative available to them but to operate in these bodies which they were committed to abolishing. The granting of final decision-making powers heightened this contradiction - they were now moving closer to a position they ostensibly abhorred, while conversely moving further away from their avowed aim. This contradiction finally erupted at the annual ASSOMAC conference in September 1985 when, by a large majority, delegates resolved to resign en bloc if direct representation on local authorities was not achieved by September 1986⁵ (Daily Dispatch, 23-26/9/1985).

A corollary of this decision was the rejection of these powers as a step towards independent racial local authorities by a number of Cape local authorities. The chairman of the ADMC, Patrick McKenzie, came under heavy criticism from the members of a number of other Management Committees in the Western Cape as well as the left wing of the LP caucus for this decision. As a corollary, while the ADMC did not formally withdraw its request for these powers, it did, at least for the next couple of years, show little enthusiasm for pursuing the issue.⁶

Another reason for the ADMC's not pursuing the delegation of powers has to do with its lack of viability.

Coloured areas are substantially subsidised by the general rate funds. Because the CCC does not frame its budget on racial lines, exact expenditure on Coloured areas is difficult to calculate. However, in 1981 the CCC did venture a rough estimate that 13% of their local rates were derived from Coloured areas while more than 20% of its expenditure went on such localities (Cape Times, 16/12/1981). CCC low-income housing estates are also subsidised at R4,9m per annum (CCC, 1986E). This is why the ADMC was reluctant to accept these final decision-making powers. Acceptance would have led to its being given its own budget within the CCC's broader budget. The ADMC is subsidised by the CCC - most of the low-income council housing estates fall within the ADMC's area of jurisdiction. The formal acceptance of these powers would have put it in the politically unenviable position of having either to reduce the standard of services or to increase rent charges.

Analyses which claim that rich White areas financially subsidise poorer Coloured areas do not however reveal the true picture. Most of the viable commercial areas and virtually all industrial areas are located in White localities, in particular the CBD which contributes about 19% of the City's rates (Cape Times, 22/7/1986). Many Coloured citizens help maintain the viability of business in these White areas in their capacity as consumers of goods

and services. For example, the Theron Commission pointed out that more than 75% of Coloured consumption expenditure occurred in areas outside their designated areas. Similarly, Coloured citizens help to generate the wealth in commercial and industrial areas in their capacity as workers. In fact, no White residential area, including even affluent neighbourhoods such as Bishopscourt, is self-sufficient. Only 40% of the CCC's rate revenue comes from residential rates, showing the council's dependence on commercial and industrial areas (CCC, 1982).

10.6 COORDINATING COUNCIL FOR LOCAL GOVERNMENT AFFAIRS

In the rest of this chapter various manifestations of greater access will be discussed. It was pointed out (in 6.7 Coordinating Council for Local Government Affairs) that all local government issues requiring legislative changes are first referred to the Coordinating Council for recommendation. This Council generally operated in a top-down fashion, being dominated by Minister Heunis. Notwithstanding this, because of the convergence of interests between the government and the major Coloured and Indian political parties, the Council has generally been rather susceptible to the demands of Coloured and Indian representatives. Issues such as the delegation of the 106 powers, greater remuneration and pension benefits for Management Committees/LACs members, and prior votes for the

1988 municipal elections, all originated from Coloured and Indian representatives.

10.7 THE ROLE OF THE DEPARTMENT OF LOCAL GOVERNMENT, HOUSE OF REPRESENTATIVES

There is what a senior official in the Department of Local Government, House of Representatives, called a 'wailing wall' section of the Department where complaints from Management Committees/LACs are heard. These are mostly problems dealing with their relationships with White local authorities. The House of Representatives and the provinces attempt to play a peace-making role in these disputes (RSA, House of Representatives, 1985). This arrangement gives local bodies a certain amount of leverage in their deliberations with the 'mother' White local authorities. The House of Representatives has successfully interceded in ADMC/CCC disputes (Interviews with ADMC chairman, 1990 and House of Representatives official, 1990).

Another manifestation of this greater access is that the minutes of meetings of Coloured Management Committees/LACs are forwarded to the House of Representatives and scrutinised. Problems which are identified are referred to the relevant authorities for attention (RSA, House of Representatives, 1985 : 1).

10.8 REACTIONAL POWER - ORDINANCE No. 3 OF 1986

It was pointed out (in 7.13 Cape Municipal Amendment Ordinance, No. 3 of 1986) that, as a result of the alleged non-cooperation of certain local authorities with their Management Committees, the Cape Municipal Amendment Ordinance No. 3 of 1986 was promulgated. This gave the Administrator of the Cape power to remove from office councillors or even entire councils who, in his opinion, were responsible for or contributed to the failure of a council to enforce or carry out the provisions of lawful legislation or regulations. This was introduced to give the Administrator more power to counter White local authorities' intransigence towards the Management Committee system. Both liberal and conservative local authorities had been obstructionist in this regard, CCC being the foremost offender in the former category.

It is suggested that the concept of reactional power can help make sense of this issue. Reactional power occurs when B acts in conformity with A's wishes because he/she fears harm by A if he/she does not. It does not involve any deliberate activity (De Crespigny, 1970 : 47). Although this measure has not yet been used against any council, it can be argued that the threat of this measure is sufficient to ensure compliance with government policy. Both CCC and ADMC interviewees confirmed that relationships have

generally improved in the Cape in the last few years. Perhaps this is partly due to this extreme threat.

10.9 THE 'TWO HATS' PHENOMENON

Many members of the House of Representatives began their political careers as Management Committee/LAC members. At the CPMA conference in 1987 there was a motion condemning the fact that a number of House of Representatives MPs (including Hendrickse and Curry) had not resigned their Management Committee seats when they became central government representatives. This led to these 'two hats' representatives attempting to interfere unduly in the activities of both their White local authorities and Management Committees (Interview with Secretary, CPMA, 1988). The House of Representatives, Department of Local Government, received a number of complaints from Management Committees that these MPs were taking control at local level (Interviews with House of Representatives officials, 1988).

The ADMC was a prominent example in this regard. Chairman Patrick McKenzie was MP for Bonteheuwel and there were two other members, Kenny Lategan and Arthur Stanley, who were MPs for Manenberg and Liesbeek respectively. These MPs were what can be termed an 'information elite', viz. they had access to privileged central government information which they could use in their deliberations against local authorities and also as an instrument to persuade fellow

Management Committee/LAC members to support their point of view. It cut right across the concept of democratic accountability and council confidentiality. This phenomenon was contrary to local decision-making. Decisions were often judged in terms of national political concerns which did not always coincide with the interests of Management Committees/LACs.

However, the other side of the coin involved greater access for these committees at central level. Because the national MP also sat on the committee he was more closely attuned to grassroots needs and problems and was in a position to bring these to the attention of the senior members of the LP who could take remedial decision-making. An example of how this 'two hats' phenomenon has had positive effects will be discussed later in this chapter (in 10.11.2 Urban Upgrading). The practice was ended in 1988 when the party's national executive requested that LP MPs, President's Council members and other public representatives should not seek election at municipal level (Cameron, 1991 : 41-42).

10.10 TOWN PLANNING

Another area where the ADMC has a reasonable amount of power is in the field of town planning. It was pointed out (in 9.6 Town Planning) that if a Management Committee does not agree with a town planning decision made by its 'mother'

local authority in its area of jurisdiction, the matter is referred to the Administrator for final approval. Although the CCC can legally reject a committee's advice in respect of town planning matters, the Administrator, in line with the state's strategy to promote Management Committees generally, will not approve the item(s) unless the latter bodies have agreed with the recommendation. The ADMC has appealed successfully to the Administrator on five or six occasions. There has been only one unsuccessful application. This situation has given the Management Committee greater power in its dealings with the CCC (Interviews with Secretary, ADMC and Chairman, CCC Town Planning Committee, 1990).

10.11 SERVICE DELIVERY

10.11.1 Housing

Housing is the most critical service delivery issue for Coloureds and Indians, with the Group Areas Act having caused a massive shortage of units. Under the tricameral system, Coloured housing is controlled by the House of Representatives (see 7.19.1 Service Delivery). The House of Representatives has more money available for its housing development schemes than the now defunct Department of Community Development (which used to control Coloured housing) had, and has embarked on extensive housing development schemes throughout the country.

This structural arrangement, whereby the LP-controlled House of Representatives is responsible for Coloured housing, has given Management Committees greater influence in their deliberations with White local authorities. Previously the CCC used to carry out major development projects in Coloured areas without the assent of the Management Committees concerned. One of the first things Minister Curry did was to remove the development of Blue Downs, a massive housing scheme on the Cape Flats with a projected residential capacity of 250 000 people, from the control of the CCC. There were several reasons for this, one of the most important being that the local authority was not prepared to allow Management Committees to be involved in the planning of this scheme. Apparently ADMC chairman McKenzie was largely instrumental in persuading Minister Curry to withdraw this scheme from the CCC (Thomas, 1985 and interview with senior CCC official, 1990).

Another example of this greater access may be seen in Minister Curry's threat to withdraw financial support from councils who did not involve Management Committees in the planning, construction and allocation of houses (CCC, 1988C). When applications for housing funds are made by the CCC, a certificate from the chairman of the Management Committee concerned, saying that he/she agrees with the proposals, must accompany the request to the House of

Representatives. If not, funds are withheld (Interviews with House of Representatives official, 1990 and ADMC Secretary, 1990).

It also means that there are more channels open to Coloured and Indian areas to get funds for development. However, the amount allocated to the respective Houses for development is hopelessly inadequate, considering the backlog of housing and facilities in Coloured and Indian areas. For example, in 1986/7 the House of Representatives received a budgetary allocation of R1,75bn compared to the R4,55bn of the House of Assembly. Of this, R342m went to the Department of Local Government, Housing and Agriculture (The Star, 26/3/1988).

Finally, another problem is the shortage of land for development in Coloured and Indian group areas.

10.11.2 Urban Upgrading

The impetus for the upgrading of the Cape Flats appears to have come from Patrick McKenzie, chairman of the ADMC and MP for Bonteheuwel. After the 1985 unrest he wrote a letter to the newly appointed Minister of Local Government, Housing and Agriculture in the House of Representatives, David Curry, listing 18 reasons which he felt were responsible for the unrest. Most of these reasons had to do with the poor state of the environment, e.g. untarred pavements, no lights, no fencing, no landscaping, etc. (ADMC, 1985).

McKenzie's opinion as to the causes of the unrest was shared by Minister Curry. He thought it was no coincidence that the riots in Coloured areas had occurred in the poor estates where there was a paucity of basic facilities, and not the more middle-class home ownership areas (Cameron, 1988C : 61).

On Curry's instructions, this issue was then taken up by the fledgling House of Representatives administration. After a thorough investigation, the House informed the ADMC that the upgrading of Bonteheuwel should be attended to as soon as possible. A rehabilitation committee would be needed for this purpose (ADMC, 1986). This committee for the upgrading of housing estates on the Cape Flats was appointed by Minister Curry and consisted of CCC officials and councillors, House of Representatives officials, the local MP for the area and Management Committee representatives for the area concerned. Chief Director of the House of Representatives, C. Du Preez, was chairman of the committee, whose objective was to bring about the general upgrading and upliftment of the Cape Flats area (CCC, 1986E and 1986F).

By this time the House of Representatives was committed to large-scale upgrading of needy areas in the Cape Flats generally, and Bonteheuwel and Heideveld⁷ were the initial beneficiaries with each of these areas being granted R2m⁸

(CCC, 1986F and 1986G). The CCC undertook these projects as an agency of the House of Representatives. The design, cost estimates, etc. of the individual projects had to be approved by the Committee as well as the Department and the CCC before the work was undertaken. These upgrading funds could not be used for housing renewal purposes; rather they were used to improve the general urban environment, e.g. stormwater drainage, paving of roads and sidewalks, landscaping, etc. (CCC, 1986E and 1986F).

It can be argued that the House of Representatives was replicating RSC functions. This involvement in the upgrading of Coloured areas was necessary, however, because of the delay in establishing functioning RSCs. Because of the urgent political need for this development, Minister Curry viewed upgrading as part of the strategy to defuse political turmoil in these areas and the Department did this on an interim basis (Interview with David Curry, 1987). It was also not coincidental that the protesters were also eroding whatever limited support base the LP may have had. This upgrading must accordingly also be regarded as a means of patronage. When RSCs were established in 1987 the Department ceased to perform this function (Interview with Chief Director, House of Representatives, 1988).

When it came to the upgrading of Bonteheuwel, McKenzie played a major role in determining priorities. The

recommendations of his committee were often at variance with CCC officials. However, because this rehabilitation committee, on instructions of Minister Curry, had determined that no money could be spent without Management Committee approval, McKenzie's views held sway. Being ADMC chairman from 1985 to 1988 enabled him to be closely attuned to the needs and problems of the community. McKenzie was also a skilful political operator who knew how to work the system to his best advantage, as illustrated by the fact that it was his prompting that led to the upgrading in the first place. He also had the advantage of being in the same political party as Minister Curry, who in turn was highly sympathetic to this upgrading request (Interviews with ADMC secretary, 1990 and CCC officials and councillors, 1990).

This can be compared with the upgrading of Heideveld, where priorities were almost exclusively decided by CCC officials. The MP for the area, Andries Johannes, was also a LP member. However, he was not a Management Committee member. Also, because ADMC was not divided into wards, there was no-one on the committee from the Heideveld area. This meant there was no-one who was seriously concerned about, or capable of, adequately identifying upgrading needs in Heideveld.⁹ Furthermore, Johannes was a rather ineffective politician. This gave CCC officials a large amount of scope to decide on upgrading priorities

(Interviews with ADMC secretary, 1990 and CCC officials and councillors, 1990).

It was pointed out (in 3.4 Functions) that the more relevant functions (those that can be performed in either a devolved or deconcentrated/delegates fashion) that are handled by devolved methods, the greater the extent of decentralisation. In the case of Bonteheuwel, upgrading policy was handled in a devolved way. Conversely, in the case of Heideveld it was carried out in a delegated¹⁰ way by CCC officials.

The party politics index (see 3.5 Party Politics) is also useful here. The fact that the LP controlled ADMC meant, in the case of Bonteheuwel, that information and demands from grassroots could influence national priorities. Conversely, for the reasons outlined, no-one took up the cudgels for Heideveld in an effective way at national level.

10.11.3 Community Facilities Account

The Community Facilities Account (cited hereafter as CFA) is a one percent levy on rented housing stocks, which goes into a general fund. It is meant to cover the provision of amenities like civic halls, rent offices and libraries. It was introduced in the mid-1970s in an attempt to redress the backlog of amenities that existed on the Cape Flats (Labour Research Commission, 1982 : 79).

The amount of money in this fund is very small, about R3m per annum for all the Management Committee areas. More money is spent on ADMC's area of jurisdiction out of the CCC's General Rates Fund. Nevertheless, the Committee has a veto on how this money is spent. Since the introduction of the House of Representatives, this money cannot be spent by the CCC without the approval of the respective committees. This gives them a certain amount of say over policy (Interviews with ADMC, CCC and House of Representatives officials, 1990).

10.12 ASSESSMENT

From the perspective of the ADMC, the impact of the House of Representatives has been beneficial. The House made more money available for development, which has enabled ADMC to respond, to a certain extent, to the demands of its constituents. Furthermore, the CCC can no longer ride roughshod over ADMC's wishes when it comes to service delivery. If the CCC will not allocate House of Representative funds in accordance with Management Committee wishes, they are withheld by the government Department. This has given the committee greater power in its deliberations with the CCC (Interviews with Chairman ADMC, 1988 and Secretary, ADMC, 1990).

This is not to say that there is no conflict between the ADMC and the House of Representatives. The House has

sometimes sided with the CCC, particularly when the issue of cost-effectiveness is concerned. For example, the ADMC wanted this Department instead of the CCC to develop certain land for housing. The request was turned down. The Department did not have the necessary professional staff to develop the land nor the administrative staff to administer the housing scheme (Interview with senior CCC official, 1990).

While things have improved considerably, ADMC nevertheless still feels the present system is inadequate. Some of its recommendations are still overturned by the CCC and there is still no provision for permanent representation and voting rights on all the standing committees (where many major issues are decided) (ADMC, 1988). In comparison with Management Committees that fall under the control of the neighbouring WCRSC, ADMC functions are limited. WCSRC committees such as Elsie's River virtually run their areas, having control over functions ranging from housing to sports fields (Debates of Parliament, 21/4/1988 : Cols. 6197-6198).

10.13 COUNCILLORS

The fact that ADMC councillors are directly elected, as opposed to being indirectly elected or appointed by a higher tier of government, is conducive to decentralisation (see 3.4 Other Personnel Indices).

10.14 CONCLUSION

This chapter has shown how ADMC/CCC relationships in the 1980s have evolved from the situation where the Coloured local body made no impact upon policy in its area to that where in certain cases it has considerable influence. ADMC now had greater access in that it had MPs at central level who were able to influence local policy-making affecting its area of jurisdiction.

Various manifestations of this greater access were discussed; the House of Representatives can intercede on behalf of the ADMC when there is a dispute with the CCC; a provincial ordinance which threatens to dismiss councillors if they do not cooperate with Management Committees, has led to improved relationships; and if there is a dispute over a town planning issue between ADMC and CCC, the Administrator has the final say and he has tended to side with the former body. Also, the 'two hats' phenomenon was discussed, whereby ADMC with three MPs in its ranks could bring local issues to national politicians who could take remedial action.

When it comes to service delivery, housing funds were only made available to the CCC if the proposed schemes were in accordance with ADMC wishes. The R2m urban upgrading of Bonteheuwel was largely decided by the ADMC because the House of Representatives had stipulated that this was one of

the conditions of the funding. Finally, CFA money could only be spent if it was in accordance with ADMC wishes.

Finally, what can be said about the cardinal issue of decentralisation of powers? The type of power that ADMC has acquired cannot easily be categorised into any of the various forms of decentralisation cited. There seems to have been a horizontal transfer of power from the CCC to ADMC, but in an informal way. ADMC has acquired power through enabling others to intercede on its behalf, but does not have any formal authority of its own. A case can perhaps be made for saying that ADMC has acquired informal delegated powers in the area of town planning, and informal devolved power in the area of the upgrading of Bonteheuwel as well as in the allocation of the CFA funds. However, what is indisputable is that ADMC has far more avenues at its disposal to get its policy carried out, which in turn has increased its powers.

CHAPTER XI

CASE STUDY III: WESTERN CAPE REGIONAL SERVICES COUNCIL

11.1 INTRODUCTION

The WCRSC is an indirectly elected body consisting of 64 Western Cape local authorities. This comprises 19 White municipalities, 26 Coloured Management Committees, two Indian Management Committees, one Black Town Council, five Black Town Committees, one Black Local Authority Committee, five White Local Councils, three White Rural Councils and two Coloured Boards of Management (CPA, 1990B) (see Annexure E). The WCRSC is a grade 14 local authority, i.e. the second largest category of local authority in terms of the statistical formula of the government (see 7.5 Remuneration of Town Clerks Act).

The total population within the WCRSC's area of jurisdiction is estimated at 2 540 000, distributed over an area of 3 976 km², which is approximately the same size as The Netherlands (WCRSC, 1988 : 2-3).

Although the WCRSC was brought into existence in January 1987 it only began functioning formally on 1 July, 1987. By the end of the 1980s it had, therefore, only been in operation for two and a half years. For this reason there is less extensive material on its functioning and it is also perhaps too early to draw any firm conclusions about its operation. The coverage of the WCRSC will accordingly not be as comprehensive as the previous two case studies. Notwithstanding this, selected aspects of the framework of

analysis will be utilised to gauge the extent to which power has been decentralised to the WCRSC. Although the WCRSC is performing agency functions for a variety of different government departments, this chapter is concerned only with the extent to which the WCRSC is performing the services specified in the RSC Act as regional functions.

11.2 FORMATION OF THE WESTERN CAPE REGIONAL SERVICES COUNCIL

In order to analyse the extent of autonomy of the WCRSC it is necessary to examine the top-down way in which it was established, facilitating national objectives and minimising any potential opposition to this new local government structure.

11.2.1 Determination of the Western Cape Regional Services Council's Boundaries

The determination of the WCRSC boundaries was surrounded with political controversy. It started off with a request in late 1985 by the Administrator of the Cape, Eugene Louw, for local authorities in the Cape metropolitan area to submit their recommendations on the proposed Western Cape RSC(s) to him so that he could make representations to the government (CCC, 1985B).

The CCC submitted a detailed document recommending that the WCRSC should be the Greater Cape Town region (see Annexure F), which the council argued was an economically integrated area (CCC, 1985B). The Divisional Councils of Paarl and Stellenbosch recommended that there should be two RSCs in the region; firstly, an urban RSC with the boundaries roughly approximating to those of the CCC

proposals; and secondly, a rural and peri-urban RSC consisting of these two Divisional Council areas. Being smaller local authorities, they feared they would lose their autonomy and not get their fair share of funds from one metropolitan-wide RSC which could well be dominated by the liberal CCC (The Argus, 5/3/1986). Implicit in these objections was that these Divisional Councils wanted to escape the costs of subsidising poorer Black and Coloured areas, the majority of which fell within the proposed Greater Cape Town RSC. Some NP-orientated local authorities also expressed opposition to being included in the same RSCs as the CCC, for similar reasons as the Divisional Councils of Paarl and Stellenbosch.

The Provincial Secretary, representing the CPA, recommended in his submission to the Demarcation Board that the Divisional Councils of the Cape, Paarl and Stellenbosch should become the Western Cape RSC.¹ This recommendation was based on the criteria which have to be taken into consideration when a RSC is being demarcated in terms of schedule 1 of the RSC Act (which are criteria for the identification of metropolitan areas). The CPA's main argument for this area was that a RSC consisting of the Divisional Councils of Paarl and Stellenbosch would not be financially viable. Projected figures from the Department of Finance had estimated that 91% of the services levy and 89% of the establishment levy would be generated in the CDC area. The corresponding figures for Stellenbosch were 4% and 9% and for Paarl, 5% and 7% (CPA, 1985).

The most persuasive submission at the Demarcation Board's meeting was the CCC proposal. On the basis of statistical evidence, its delegates argued convincingly that the urban local authorities of the CDC did not have the same community of interests as the other rural municipalities (CCC, 1986J).

Most of the other local authorities (despite initial misgivings by a number of NP-orientated municipalities) supported the Provincial Secretary's recommendation. It has been alleged that Minister Chris Heunis of DCDP, who was then Cape leader of the party, and the Administrator Eugene Louw, who was a senior Cape NP figure, cajoled and persuaded a number of local authorities to drop their objections to being included in one RSC for the entire metropolitan area. (This claim was made by a number of local interviewees, including CCC, CPA and WCRSC officials in 1988 and 1989).

The eventual delimitation of the area was a virtual fiasco. The Demarcation Board, no doubt influenced by the impressive CCC case, recommended the smaller area. This was initially accepted by the new multiracial Provincial EXCO. However, at a subsequent meeting, the new MEC for Local Government, Pieter Schoeman, announced that the Western Cape RSC would consist of the Divisional Councils of Cape, Paarl and Stellenbosch. It was stated that the altered decision was due to other factors which subsequently came under consideration, viz. the stimulation of balanced regional development, spreading the new regional taxes as widely as possible, and generally to minimise the strong leakage

effect that a smaller RSC could have on its fringe (CCC, 1986E). However, it was strongly suspected that Minister Heunis was behind the overturning of this decision, one major reason being the belief that the redistribution would be more effective if rural areas were included. The other reason was the fear that this anti-apartheid body would sabotage the objectives of the apartheid-based WSRSC: the larger area would reduce the CCC's voting strength (The Argus, 5/2/1987; also see 11.2.3 Voting Representation for more detail).

11.2.2 Exclusion of Commercial and Industrial Areas

Commercial and industrial areas are excluded from the ambit of RSCs, as far as the calculations of the consumption of services for voting purposes are concerned. Thus, the delimitation of industrial and commercial areas is of cardinal importance because it directly influences the voting powers of the constituent local authorities on the RSC.

The CCC was very aware of this when it submitted its proposal on the exclusion of such areas to the CPA. It recommended that in the case of industrial areas, only areas in extent of 20ha or more should be excluded, and in the case of commercial areas it proposed either that only the CCC's CBD be excluded, or alternatively that only the CBD of each constituent body should be omitted (CCC, 1986K). There was the viewpoint within the CPA's Department of Local Government that the CCC, if its voting representation were too high, would possibly try to sabotage the operation of

the WCRSC. The CCC's vociferous opposition to the ethnic-based nature of the RSCs has already been discussed (in 9.8 The CCC's Local Option). The delimitation gave the CPA an opportunity to limit the CCC's influence. In terms of the criteria that it adopted, no fewer than six of the CCC's CBDs and 20 industrial areas were excluded, many more than any other local authority (Cape Town Bulletin, March 1987). This has diluted the CCC's voting strength quite considerably (see 11.2.3 Voting Representation).

11.2.3 Voting Representation

The WCRSC initially consisted of 56 local bodies, but after the creation of new Management Committees, Black Town Committees, Local Councils and Rural Councils, there are now 64 constituent members (CPA, 1987B; 1990B).

The voting powers of the constituent local authorities were determined according to how much each body spends on sewerage, water, refuse, civil defence, tourism promotion and land use planning (CPA, 1987C). The total voting strength of the White bodies initially amounted to 65,89%, that of the Coloured bodies to 20,75%, Black local structures 12,68% and Indian bodies 0,68%. After the creation of these new local structures with seats on the RSC, the voting representation now comprises White bodies 65,1%, Coloured bodies 19,5%, Black local structures 14,8% and Indian bodies 0,6% (CPA, 1987C; WCRSC, 1990B).

Each local authority can nominate one of its members to the RSC for every 10% or part thereof of the total number of votes to which it is entitled. In practice this means that

each local authority has one representative on the WCRSC, with the exception of the CCC which has four representatives. The CCC technically had a veto, with 36,52% of the votes, when the WCRSC began functioning, bearing in mind that all decisions require a two-thirds majority. The creation of these new bodies, in particular three new Management Committees within its area of jurisdiction,² has meant that the CCC's voting representation has dropped below the veto threshold limit to 31% (WCRSC, 1990B).

This can be compared with the voting power of Pretoria, Bloemfontein and Johannesburg municipalities (all of which were more sympathetic to the RSC system) on their particular RSCs, which initially amounted to 50%, 50% and 48,5% respectively (Cape Times, 22/3/1989 and 24/6/1989). Although it cannot be incontrovertably verified, it is quite likely that the CCC's comparatively small voting strength in comparison with other major metropolitan local authorities, was due to a deliberate attempt by the CPA to make sure that the CCC was not in a powerful enough position to obstruct the workings of the WCRSC.

In any event, as pointed out (in 7.2.3 Voting Representation), the voting strength of the constituent bodies does not seem to have been as essential to the operation of the RSCs after an amendment to the principal Act in 1988. In terms of this amendment the Administrator can re-apportion votes if he believes that the basis for the apportionment of votes cannot be applied to achieve a result which in his opinion is fair to all persons concerned.

Also, the RSC chairman is compelled to refer any matter on which a majority vote cannot be obtained to the Administrator for decision and, in so doing, to bypass the entire appeal mechanism. This means that the Administrator has the final say on any matter in which deadlock is reached.

It is highly probable that these centralising clauses in the Amendment to the Act were included to prevent liberal-orientated and CP-controlled local authorities to use their numerically powerful voting strength to control the RSCs and make policy in a way not intended by the government. Although these measures have not been used against the WCRSC, they certainly facilitate the reaching of consensus on issues, which will now be discussed.

Despite the fact that the formation of the WCRSC was shrouded in political controversy, its actual operation has been characterised by little acrimony among its constituent members. At the first WCRSC meeting, the Administrator-appointed chairman, Piet Loubser, asked delegates not to make the RSC a forum for playing out political differences lest the future be spoiled by the past (Cape Times, 26/6/1987). His chairmanship of WCRSC meetings has been characterised by attempts to reach consensus on virtually every decision. Loubser is a vastly experienced politician, being a former MEC in the Cape Provincial Council and a senior Cape NP member. This enabled him to mediate successfully between the various demands of the WCRSC representatives. In its 15 months of operation, 2 000

decisions were taken by consensus and without the need to vote (Die Burger, 25/10/1988). Indeed, during the two and a half year period under review, there has only been voting on the composition and chairmanship of standing committees and the composition of the EXCO (The Argus, 26/10/1989).

11.3 FUNCTIONAL OPERATION

In the Cape, unlike the rest of the country, RSCs are not newly created structures. The WCRSC took over the infrastructure, bureaucracy and functions of the Divisional Councils of Cape, Paarl and Stellenbosch, which were abolished in June 1987. The WCRSC began its formal operation on 1 July, 1987 (WCRSC, 1988A : 2). These functions included both 'general' and 'own' affairs services. The WCRSC performs 'own affairs' functions on behalf of the respective Own Affairs Departments. There were also a number of Divisional Council functions which were taken over by the WCRSC because they were regional services (WCRSC, 1988A : 4). The WCRSC was also performing certain agency functions on behalf of the CPA, in particular that of rural roads.

This dual role initially led to a great many teething problems. 'Administrative overload' occurred, viz. there were excessive delays in completion of the workload of the WCRSC, which could not cope with the demands placed on it. It had neither the staff nor the resources to operate effectively (The Argus, 28/1/1988; Cape Times, 21/4/1988, 22/4/1988). The WCRSC seemed to concentrate its attentions on its 'own affairs' functions, and as a result it was slow

to begin its regional functions. Although it began operating with effect from 1 July 1987, the first budgetary allocation of funds for its infrastructure was made only in October 1988.

Although most of these initial problems have been overcome, agency functions continue to take up too much of the WCRSC's time. It is not uncommon for the whole of WCRSC meetings to be about such agency functions, with no matters concerning regional functions appearing on the agenda. In both the 1987 and 1988 annual reviews, agency functions received more space than regional functions (WCRSC, 1988A and 1989A). Also, staff spend more time on agency than regional functions. For example, there are 52 planners busy on agency functions, with only 11 on regional functions. Also, the WCRSC acts as agent in respect of 37 local areas on behalf of the three relevant Own Affairs Ministers of Local Government, and for five Local Councils on behalf of the Department of Local Government, House of Assembly (WCRSC, 1990A). This means that 42 separate budgets have to be drawn up annually, which is highly time-consuming.

There has been little activity in terms of the take-over of regional functions from constituent local authorities. While there has been investigation into the entrustment of certain services functions as regional services, only land use planning has been taken over from the Cape Metropolitan Planning Committee (cited hereafter as METPLAN), a voluntary body consisting of representatives of most Western Cape municipalities (WCRSC, 1990A).

There are a number of reasons for the WCRSC's reluctance to take over regional functions, like bulk supply of water, which should logically be provided at metropolitan level. Firstly, as pointed out, the WCRSC operates largely on a consensual basis, and if it took over regional functions this carefully nurtured esprit de corps would probably be shattered. In particular, the CCC, the largest voting bloc on the WCRSC and bulk supplier of water and electricity, would object vociferously to the regional take-over of these functions because it would reduce its status and power in the region (Cameron, 1986B : 260). The attitude seems to be one of least interference and letting the WCRSC get on with regional upgrading.

Secondly, if the WCRSC takes over regional functions, it will have to pay the costs of providing these particular services. For example, in the 1988/89 financial year, the WCRSC estimated that the passenger transport subsidy on bus and rail services amounted to R129,8 million, while its total income was estimated to be R133 million (WCRSC, 1990A).³ This would mean that money for urban upgrading, which is the major priority of RSCs, would diminish drastically. Finally, the sheer logistics involved have also proved an obstacle to the take-over of regional functions.

At its first meeting six standing committees were created, viz. Finance, Liaison with Local Areas, Works, Amenities and Services, Divisional Council Functions, Land Use and Liaison with Management Committees in former

Divisional Council areas. Two advisory committees, viz. Staffing, and Investigation into Priorities, were also created at that meeting (The Argus, 30/6/1987).

11.4 THE UPGRADING PROCESS

When it comes to the allocation of RSC funds, the embodiment of section 12(6) of the Act, namely that priority should be given to the establishment, improvement and maintenance of infrastructural services and facilities where the greatest need exists, has been the primary focus of WCRSC policy.

How did the policy process work and, equally as important for the purposes of this thesis, to what extent were decisions taken in a decentralised fashion? The RSC levies for 1987 were held over until 1988, so the following account of the policy process is for two years, i.e. 1988 and 1989. The process was initiated by a circular from the WCRSC to all constituent local authorities in which it asked what the greatest needs in their respective areas were. From the completed questionnaires it was determined that the five major infrastructural requirements in the region, in order of priority, were:

- 1) roads (streets), stormwater drainage and pavements;
- 2) water;
- 3) community facilities;
- 4) sewerage;
- 5) electricity supply, including street lighting.

(WCRSC, 1988A : 7)

Local authorities were then required to send estimates for consideration to the WCRSC. This was accordingly done.

In order to avoid random and inconsistent recommendations, the council appointed an advisory body, that of the Priorities Committee, for the investigation of projects applied for by local bodies, with a view to making recommendations for financial assistance on a priority basis (WCRSC, 1989B : 27; 1990A). This committee developed a two-dimensional formula to be used in the assessment of projects, which was approved by general council. These two dimensions were the urgency of the project and the affluence of the area. The comprehensive formula is:

URGENCY OF PROJECT

- A. Absolute priority** - omission or delay would have catastrophic results.
- B. Essential project** - cannot be left undone or postponed without serious detriment to the public interest.
- C. Desirable project** - should enjoy priority based on particular advantages the community would derive.
- D. Useful project** - though non-essential, would nevertheless serve a useful purpose and ought to be undertaken in the public interest.
- E. Non-essential project** - could be dispensed with or postponed without materially harming the public interest.
- Z. Totally unacceptable project** - should not be considered.

AFFLUENCE OF AREA

- a. Sub-sub-economic area** - lacking the most elementary infrastructure services.

- b. **Sub-economic area** - housing provided for breadwinners earning less than R450 p.m.; lacking certain basic infrastructure needs.
- c. **Lower economic area** - housing provided for income group R450 to R800 p.m.
- d. **Economic area** - state-funded housing for buyers/tenants in income group R800 to R1000 p.m.
- e. **Self-dependent area** - housing predominantly for house-owners erected from private sector funds.
- f. **Affluent area** - a self-sufficient area with residents predominantly of the middle income group.
- g. **Luxurious area** - residents predominantly of higher income group; area should not qualify for assistance.
- r. **Regional project** - affecting more than one community.

(WCRSC, 1990B).

After receipt of applications from the constituent local authorities, members of the Priorities Committee pay site visits to the area where there are proposed projects. These councillors then weigh all these projects in terms of the formula. The cut-off point is normally 'C' for both urgency of project and affluence of area categories.

These recommendations are then referred to the Finance Committee which prepares and recommends draft capital and revenue estimates for consideration by EXCO. It also recommends the terms and conditions attached to council's allocations to local bodies, viz. whether they should receive loans or grants. In this regard, cognisance is taken of the community's ability to pay. The WCRSC's policy

in this regard is to allocate funds to the lowest income groups as outright grants in respect of non-productive projects, viz. those that will not per se generate a return. Requests for projects for more affluent communities tend to receive loans (WCRSC, 1989B : 27; 1990A).

The draft estimates are then sent to EXCO, which considers them and then refers them to full council for debate. There are occasionally deviations from the recommendations of the Priorities Committee. At the special council meeting held for levy allocations the town clerk and city engineer of a particular local authority will sometimes motivate why their particular project should receive funds. However, such changes as do occur are not generally major ones. 'C' and 'D' ratings for the urgency of projects sometimes change position (WCRSC, 1989B : 4-6; interview with senior WCRSC officials, 1991).

The chairmanship of Loubser is also an important consideration. As already pointed out, he has steered the debate in a consensual way so that no vote has been taken in the two RSC budget meetings under review. This means that potential central controls, such as the Appeal Board mechanism and the referral of any matter on which a majority cannot be obtained to the Administrator, have not been utilised. It was suggested (in 3.4 Functions) that the more relevant functions which can be performed in either a devolved or deconcentrated fashion that are handled by devolved methods, the greater the extent of decentralisation to local government. In this case, fairly extensive powers

to determine upgrading priorities have been devolved to the WCRSC. The WCRSC thus appears to have a reasonable degree of devolution in this regard.

What can be said, however, is that the WCRSC does not operate in a way that is particularly open or accountable to the public. Predictions that it would attempt to operate in a neutral, technical fashion in order to depoliticise its activities, have proved correct (see 7.3.3. Finance). All major decisions occur at committee level behind closed doors where consensus is reached. For example, the WCRSC budgetary meeting of 1988 took no longer than 30 minutes (Cape Times, 28/5/1988).

A major reason for this absence of intervention by the Administrator is the fact that the council's decisions embody the spirit of section 12(6) of the Act, namely that funds go to where the greatest need exists. An examination of the 1988/89 budget reveals that 91,7% of the RSC funds went to the upgrading of Coloured and Black areas; 5,6% to projects in White areas and 2,7% to regional projects affecting more than one race group. In 1989/90, 84,8% of RSC funds went to Coloured and Black areas, 7,2% on White areas and 18% on regional projects⁴ (WCRSC, 1988C and 1989C).

Furthermore, the liberal CCC representatives seemed to have tempered their initial opposition to the RSC system (see 9.8 The CCC's Local Option) and are enthusiastic supporters of the upgrading process. Alderman Eulalie Stott, a long-standing liberal CCC councillor and initially

a staunch opponent of RSCs, is on record as saying after the WCRSC had made R127m available for upgrading in 1988, that "it was fantastic to have that amount of money available. I have never spent R127m before. There are all sorts of things that I know of which have needed attention for years" (Cape Times, 29/9/1988).

NP-orientated municipalities, in line with government policy, are also generally supportive of this infra-structural development.⁵ Quite logically, impoverished Black and Coloured communities also support these redistributive endeavours. The absence of any radical representatives from Black and Coloured councils also facilitates consensual politics. This absence is because left-wing groups consistently boycotted apartheid-based local government elections. There is no CP presence of any note on the WCRSC, so right-wing opposition is hardly an impediment to the redistributive purposes of the body.⁶ In any event, the chairmanship of Loubser is such that issues get debated in terms of the merit of the project and not on party-political grounds. He said at a WCRSC meeting that "we must refrain from expressing political viewpoints here . . . this is not the forum for that" (The Argus, 25/2/1988).

The big debate is not whether underprivileged communities should receive the bulk of RSC funds, but rather whether established Coloured and Black townships or new underdeveloped Black areas such as Khayelitsha, consisting largely of recent migrants from the Transkei and Ciskei,

should receive greater priority when it comes to funds. This issue for the moment has resolved itself in that the council has agreed that one-third of funds should go to new development and the rest (with the exception of the limited funding of regional functions) should be spent on upgrading existing townships (Interview with WCRSC officials, 1991).

11.5 PROVINCIAL HIERARCHICAL CONTROL

There is less extensive provincial hierarchical control over the activities of the WCRSC when compared to that of PLAs. The CPA's main responsibility for the WCRSC appears to have been its establishment, except when it has occasion to re-apportion votes such as when new Local Councils and Management Committees were created. There is no provincial financial control over the WCRSC's activities. This means that the WCRSC's budgetary allocations do not have to go to the CPA for scrutiny.

When it comes to by-laws, decisions in respect of regional functions have to go to the CPA for final approval (along the lines of the process described in 9.2 Procedure for By-Laws). This exists mainly for the regional functions taken over from the defunct Divisional Councils. However, no by-laws need to be promulgated, let alone approved, in respect of the WCRSC's most important function, the allocation of funds for the upgrading of infrastructure. Certain of the circulars sent out by the CPA's Community Service Branch are also applicable to RSCs. Yet, as pointed out (in 9.3 CCC/CPA Hierarchical Relations), there has been,

in line with the government's policy of devolution of powers, a move away from the use of directive circulars.

In terms of De Forges' six forms of hierarchical control over local authorities' powers (see 3.7 Hierarchical Relations), the Administrator appears to have all these powers at his disposal, with the exception of the power of substitution, i.e. that a higher authority can act in place of a lower one. In practice, these powers have not been invoked by the Administrator. The type of supervisory pattern exercised by the CPA over the WCRSC seems to be a combination of a laissez-faire approach - that is, minimum intervention within the necessary fulfilment of departmental duties - and a regulatory approach (a concern to see that statutory regulations are upheld) but generally there is little intervention in WCRSC's affairs.

11.6 FINANCIAL CONTROL

As pointed out (in 7.3.2 Devolution of Power) the RSC's two sources of revenue are the regional establishment levy initially set at ,10c per Rand, and the regional services levy initially set at ,25c per Rand.

Although the WCRSC is involved in agency functions on behalf of the relevant Own Affairs Administrations and the CPA, by law these two levies cannot be used for the funding of such costs. The RSC funds can only be used for specific purposes (which were described in 7.2.4 Finance).

The policy of the WCRSC is to keep the turnover levy more or less constant with inflation. This source of revenue is more elastic than rates, in that it keeps ahead

of inflation. This is conducive to devolution of powers (see 3.6.2 Elasticity of Tax Base). On the other hand, it is WCRSC policy to keep the services levy rate constant and accordingly below the inflation rate because of the concern that a tax on wages and salaries of employees would have a detrimental effect on job creation (Interview with Treasurer, WCRSC, 1991).

Applications for the provision of capital expenditure are far in excess of available WCRSC income. In 1988 applications for projects totalling approximately R250 500 000 were received, while allocations amounted to R127 451 387.⁷ In 1989 the total applications amounted to R368 000 000 while allocations amounted to R102 794 390 (WCRSC, 1990A). In 1989 there were 36 906 businesses paying levies (Cape Times, 31/5/1989). Total administration costs of collecting the levies in the first three years amounted to 1,97% of total levies, a negligible amount (WCRSC, 1990A).

Nevertheless, these sources of revenue have made possible vast infrastructural improvements in underdeveloped areas which would not have been viable under the old Divisional Council system, where the rates income of the CDC amounted to approximately R30m per annum (WCRSC, 1990A). The concern that RSCs would not have sufficient revenue to perform comprehensive upgrading is only partly justified in the case of the WCRSC. What is perhaps of greater concern is the feeling in many poorer areas that the maintenance of housing is a far more of a priority than the upgrading of

the environment. However, in terms of the principal Act, RSC funds can only be used for prescribed functions. This does not include housing, which is an 'own affair' function and accordingly resides under the control of the respective Ministers' Councils (Interview with WCRSC officials, 1991). Also, RSC are for capital development only and cannot be used to subsidise deficits on operating accounts.

The government is investigating alternative sources of revenue for RSCs, but this is primarily for rural areas where there are few commercial and industrial enterprises to form an adequate tax base (Cape Times, 30/3/1989).

In terms of Mawhood's scale of local financing, ranging from the "most autonomous" to the "least autonomous" (see 3.6.1 Revenue Base), WCRSC's two levies can, at least when they were first introduced, be classified as a variant of number 3 on the six-point scale. The levy rates were prescribed by central government without any calculation of local resources and needs. However the WCRSC, and not the central government, collects this revenue.

The fact that RSC levies were initially set by the Minister of Finance was not conducive to devolution of powers. What has been occurring, however, is that various RSCs have been motivating for levy increases on the basis of their respective requirements. The WCRSC applied for, and was granted, an increase in its turnover levy in 1989 from ,01% to ,0115% in 1989, which increased its levy income by R9m per annum (The Argus, 31/5/1989). To date, no request by any RSC for an increase in levies has been turned down by

the Minister (Interview with Treasurer, WCRSC, 1991). There is, accordingly, now increased diversity among RSCs' levy rates. This means that there has been a de facto shift towards a variant of item No. 2 on Mawhood's six-point scale, in the sense that there is now greater determination of local resources and needs of each RSC area. This indicates a greater degree of decentralisation.

When it comes to macro-financial control, inflation-linked budgetary limits (see 9.5.2 Financial Control Procedure) do not apply to the WCRSC. The RSC's financial limit is the amount of revenue generated by its levies. In practice, the macro-control over the WCRSC's budget is rather lenient, with no substantial objection having been raised by the Department of Finance in this regard (Interview with Treasurer, WCRSC, 1991).

What are the reasons for this lenient supervision? Firstly, WCRSC expenditure is virtually all capital in nature (with the exception of the already-mentioned 1,97% administrative costs) and, as pointed out (in 9.5.1 Effects of Controls on CCC's Revenue Base), the Department of Finance tends to be much more restrictive in terms of operating expenditure. Secondly, the index of access can help explain this mode of supervision (see 3.3 Access). Because RSCs exist to facilitate national objectives, they appear to have privileged access when it comes to central government's decision-making processes. This is reflected in more lenient macro-control, in comparison with that exercised over PLAs.

In terms of Davey's typology of financial discretion (see 3.6.3 Financial Discretion over Expenditure) the WCRSC was initially highly controlled in terms of scale, namely the amount of money it was allowed to spend. This was because the Minister of Finance set the rates of their levies. As pointed out, there is now greater flexibility in this regard, with the WCRSC having a certain amount of influence over the determination of levy rates. In terms of purpose, namely the objects on which it is allowed to spend money, the WCRSC is circumscribed. A variant of item No. 5 on Davey's six-point scale of descending order of discretion is perhaps of most relevance here: a local body is free to allocate money but only within total amounts prescribed for individual functions by higher tier government. The total amounts are not prescribed in financial totals, but rather laid down in legislation. Section 12(6) of the RSC Act states that priorities in terms of expenditure must go to infrastructural development in areas where the greatest need exists. In terms of these prescribed functions, however, the WCRSC has a fair degree of influence to determine policy.

11.7 PERSONNEL CONTROL

RSCs are subject to the provisions of the Remuneration of Town Clerks Act (see 7.5 Remuneration of Town Clerks Act of 1984). This means that no senior official can earn a higher remuneration payable than that payable to the Chief Executive Officer of a RSC, which is one rank lower in

accordance with the general determination binding on the latter local authority.

The chairman of the WCRSC is appointed by the central government. In practice most chairmen, including that of the WCRSC, are NP office-bearers. This is not conducive to extensive devolution of power, nor is the fact that RSCs' representatives are indirectly, rather than directly, elected (see 3.4 Other Personnel Indices). Conversely, it can be argued that the fact that the WCRSC took over the qualified staff corps of the Divisional Councils of the Cape, Stellenbosch and Paarl, is conducive to devolution. The expertise of these officials meant that WCRSC could handle its affairs with minimal central intervention. In particular, these officials were able to advise councillors and draw up criteria for the allocation of funds to where the greatest need existed.

11.8 CONCLUSION

It was shown in this chapter that the WCRSC was formed in a way that facilitated national objectives and minimised possible opposition to this system. The WCRSC's potential autonomy was thus restricted from the outset. The WCRSC is circumscribed when it comes to the determination of its policy. Section 12(6) of the RSC Act decrees that priority must go to infrastructural development where the greatest need exists. Nevertheless, in terms of its restricted manoeuvrability, the WCRSC has a fair amount of autonomy to decide which areas are in the greatest need of upgrading. This is mainly due to the fact that its council's decisions

embody the spirit of section 12(6) of the Act. There is limited provincial hierarchical control over the functioning of the WCRSC when it comes to the allocation of funds for upgrading.

When it comes to financial control, there are elements of centralisation and devolution. The turnover levy is more elastic than rates as a source of revenue. Although the Minister of Finance sets the levies of RSCs, the WCRSC has a certain amount of influence on his decision, being able to recommend levy rates (which have hitherto always been accepted by the Minister) based on local needs and resources. The Department of Finance appears to have rather lenient control over the budgets of the WCRSC. The WCRSC is restricted in terms of what it can spend its income on.

In the field of personnel, the fact that the WCRSC chairman is appointed and that councillors are indirectly elected is not conducive to decentralisation. However, the WCRSC has an experienced staff corps whose expertise means that this body can run relatively autonomously without central intervention.

CHAPTER XII

CONCLUSION

12.1 INTRODUCTION

The objectives of this thesis were three-fold:

- i) to trace the evolution of the South African state's policy of devolution of powers to local authorities during the 1980s;
- ii) to examine critically the main features of new local government legislation, with particular reference to the devolution of powers policy;
- iii) to apply a normative framework of analysis which can help determine the degree of decentralisation that has occurred in the cases of selected local authorities.

In this Conclusion an overall assessment of these various objectives will be undertaken. For the sake of logical continuity, an evaluation will first be made of objective (iii); that is, the application of the framework of analysis at local level and the comparison of the extent of autonomy of these respective local bodies. The observations reached here will form part of the overall assessment of the devolution policy, i.e. objectives (i) and (ii), which will be examined in the next two sections. This will be followed by a postscript in which a brief look will be taken at local government developments in the 1990s.

12.2 EVALUATION OF THE FRAMEWORK OF ANALYSIS

Appropriate elements of the framework of analysis were utilised in the thesis, primarily in the case studies. A limited number of indices were, however, applicable when looking at local government developments at national level. The major feature of the personnel index was the classification of three different types of personnel systems. It was pointed out (in 7.5 Remuneration of Town Clerks Act) that the linking of the remuneration packages of senior local authority staff to those of public servants introduced elements of the centralised integrated model on local authorities generally, which affected both the CCC and WCRSC. In addition, it was shown (in 9.7.2 Effects of Remuneration of Town Clerks Act on the CCC) that the imposition of the MSC on the CCC led to the introduction of further components of the unified model, which is less centralised than the integrated model but more centralised than the separate model. The ADMC, being administered by the CCC, did not have its own separate personnel corps.

The other personnel index was whether councillors were directly or indirectly elected or nominated. The CCC and ADMC, being directly elected, must be considered more decentralised than the indirectly elected WCRSC.

The access index was found to be particularly useful. Indeed, the major thrust of the case study on the ADMC was that although this body was still an advisory structure, the ability of its members to influence Coloured politicians at

national level gave this structure a conduit through which its demands and problems could be addressed. Access per se was not sufficient to ensure greater influence. The major reason for this greater influence is because the interests of the government and Coloured and Indian political parties converged on the issue of giving their local representatives greater say in the running of their affairs (see 10.3 The Tricameral System: Greater Access for Management Committees/LACs). Various manifestations of this greater access were discussed, including the fact that the House of Representatives can intercede on behalf of the ADMC when there is a dispute with the CCC; ADMC with three MPs in its ranks could bring local issues to national politicians who could take remedial action; if there is a dispute over a town-planning issue between ADMC and CCC, the Administrator has the final say and he tends to side with the former body; and House of Representatives funds for upgrading and housing could only be spent by the CCC in accordance with ADMC wishes.

Similarly, in the case of WCRSC, it was pointed out (in 11.6 Financial Control) that because RSCs were created to facilitate national objectives of the NP, they appear to have privileged access when it comes to central government's decision-making processes. This is reflected in more lenient macro-control in comparison with that exercised over PLAs.

Conversely, it was pointed out (in 9.8 The CCC's Local Option) that the CCC, being a primarily English-speaking institution with liberal anti-apartheid policies, has had little influence on the NP whose new local government system of the 1980s was premised on apartheid. This explains why the CCC's attempts to introduce its own local option in lieu of RSCs were abortive.

For the function index, the major proposition utilised was that the more relevant functions (those that can be performed in either a devolved or delegated/deconcentrated fashion) that are handled by devolved method, the greater the extent of decentralisation. For each of the case studies, this index was applied to an important function. It was pointed out (in 9.6 Town Planning) that the CCC's land-use planning function is handled largely in a delegated and deconcentrated way. The CCC has limited delegated powers, but most of the important functions are handled in a deconcentrated fashion, with the Administrator having the final decision.

In the case study on the ADMC it was pointed out that in the instance of Bonteheuwel, urban upgrading was handled in a devolved way with the chairman of this body playing a major role in determining priorities. However, in the case of Heideveld, priorities were almost exclusively decided by CCC officials, which can be classified as a form of delegation (see 10.11.2 Urban Upgrading). In the case study on the WCRSC, it was argued that fairly extensive powers to

determine upgrading priorities have been devolved to the WCRSC (see 11.4 The Upgrading Process).

Another aspect of the functions index that can be briefly mentioned is why certain relevant functions ended up at local level and others at central level. It was pointed out (in 4.5.1 Reasons for Centralisation) that the need by the central state to implement apartheid meant large-scale central government control in all spheres of life, including local authorities' functional activities. For example, the Group Areas Act led to the central government zoning local authorities' residential neighbourhoods on a racial basis, while the Separate Amenities Act provided for separate amenities in, inter alia, local government areas of jurisdiction. Both these pieces of legislation were still on the statute books at the end of the 1980s (although the new F.W. de Klerk government scrapped both Acts in the early 1990s).

The party politics index was applicable in the sense that ideas, information, experience and demands from grassroots can influence national policies. It was pointed out (in 10.11.2 Urban Upgrading) that because the ADMC was LP-controlled, in the case of Bonteheuwel local LP politicians could bring their demands to the attention of national LP politicians, who took remedial action. This point is, however, merely a variant of the broader argument about the utility of the access index. The fact that the CCC was informally controlled by the PFP, and subsequently

the DP, meant that it did not have ready access to NP politicians in central government (see 9.8 The CCC's Local Option). The party politics index is not of utility in this instance, although a case could possibly be made for its relevance by reversing the proposition and suggesting that, precisely because the CCC was informally controlled by the anti-apartheid PFP, it did not have ready access to NP politicians in central government. The WCRSC was not run on party-political grounds. The chairman of the WCRSC, Piet Loubser was, however, a senior NP member. There is little evidence to suggest that Loubser played the party-political card. Perhaps this is due to the fact that the WCRSC had already been established in a way that facilitated the achievement of party-political objectives of the NP, viz. how to share power and redistribute wealth without losing control (see 11.2 Formation of the WCRSC). This, in turn, minimised the need for central party-political interference.

One of the most important indices was that of finance. Three different sub-categories, namely the nature of the revenue base, elasticity of sources of revenue, and the amount of financial discretion in the use of revenue sources, were identified and utilised in the case studies on the CCC and the WCRSC (ADMC did not have their own sources of revenue, being dependent on the CCC for funds).

When it comes to the nature of the revenue base, the CCC has the most autonomous form of local taxation, namely local financing. There are limits on its ability to vary

the rate of the tax, with permission needed from the Administrator to exceed the statutory limit of 2c per Rand for the rate levy. However, because the CCC was operating on an outdated 1979 general valuation roll in the late 1980s, this permission tended to be a mere formality in its case. CCC's major source of income is its trading services, electricity and water. There are restrictions here, with only a 10% maximum surplus permitted to be made on these undertakings (see 9.5.5 Elasticity of the CCC's Tax Base).

In the case of the WCRSC, its regional services and establishment levies could initially be classified as a variant of the third-most autonomous form of local financing on the six-point scale, with the central government prescribing the levy rates without any calculation of local resources and needs. There has been a de facto shift towards the second-most autonomous form of local financing. The WCRSC has motivated for an increase in its turnover levy based on local requirements, which was accepted by the Minister of Finance. This indicates a greater degree of decentralisation (see 11.6 Financial Control).

Regarding elasticity of the tax base, rates as a source of income is highly inelastic. The natural growth of the CCC's rate base was between 1,5 and 2% in the 1980s and this can be compared with consistent double-digit inflation during the same period. Also, at the end of the 1980s, the CCC was operating on valuation rolls based on 1979 market prices. This must be considered a reduction of the CCC's

autonomy (see 9.5.5 Elasticity of the CCC's Tax Base). In the case of the WCRSC, its establishment levy is relatively elastic, being more or less constant with the inflation rate. On the other hand, because of the concern that the services levy would have a detrimental effect on job creation, it is the WCRSC's policy to hold the services levy rate constant. This means that it consciously kept this tax below the inflation rate (see 11.6 Financial Control).

The final financial category is that of local authority financial discretion in respect of expenditure. Because of macro-economic control exercised by the Department of Finance, the CCC is quite limited in terms of scale, that is, the amount of money that it is allowed to spend, particularly in respect of operating expenditure. It does, however, have greater discretion in terms of purpose: namely, the objects on which it is allowed to spend its money. In terms of Davey's six-point continuum in descending order of discretion, item No. 3 has a certain amount of applicability: the CCC may allocate money between different services but with a fixed ceiling on expenditure. Owing to the fact that the Department of Finance controls the six or seven major operating items, a case can also be made for the applicability of item No. 5; namely that the CCC can allocate money but only with total amounts prescribed by higher tier governments for individual functions. There has been a shift from item No. 3 to item

No. 5 in the 1980s, indicating greater financial control (see 9.5.7 Delegation of Financial Powers).

In terms of scale, the WCRSC was initially tightly controlled. This was because the Minister of Finance set the rate of their levies. As pointed out, the WCRSC now has a certain amount of influence over the determination of levy rates. In respect of purpose, item no. 5 of the six-point scale is of relevance. The WCRSC is bound by section 12(6) of the RSC Act, which states that priorities must go to infrastructural development in areas where the greatest need exists. In terms of these prescribed functions, the WCRSC has, however, a fair degree of influence to determine policy (see 11.6 Financial Control).

When it comes to CCC/CPA hierarchical relations, two distinct phases can be identified. The first phase covers the early, and to a lesser extent the mid-1980s, and can be classified as promotional, that is, local authorities executing functions under the close control and direction of a higher tier authority. The second phase can be classified as regulatory; an approach which concentrates on upholding statutory regulations while not intervening excessively in local affairs. This approach became pronounced in the late 1980s when the CPA attempted to implement the government's devolution of power policy (see 9.3 CCC/CPA Hierarchical Relations). The House of Assembly's mode of supervision towards the CCC is, however, promotional (see 9.6.3 House of Assembly/CCC Intergovernmental Relations).

The CPA's mode of supervision over the WCRSC seems to be a combination of a laissez faire approach (namely, minimum intervention within the necessary fulfillment of departmental duties) and a regulatory approach (see 11.5 Provincial Hierarchical Control). This index is not applicable to the ADMC, because Coloured structures possessed only advisory and not decision-making powers over which supervision could be exercised.

Another form of hierarchical control is De Forges' six administrative mechanisms through which higher tier control over local authorities' powers can be maintained, i.e. approval of decisions, directives/instructions, the power of suspension, the power of annulment, the power of reformation and the power of substitution (see 3.7 Hierarchical Relations). It was pointed out (in 9.4 Delegation of Powers) that the Administrator of the Cape and the Ministerial Representative for the Western Cape still have all these powers over the functioning of the CCC. It was also shown (in 11.5 Provincial Hierarchical Control) that the Administrator has all these powers bar the power of substitution over the functioning of the WCRSC. In practice, there is more of a non-interference policy in respect of the WCRSC. It was pointed out in Chapter IX that certain of the CCC's decisions have been overturned by both the Administrator and the White Ministerial Representative, while in Chapter XI it was pointed out that the Administrator hitherto has not overturned any WCRSC decision.

Another aspect of hierarchical relations which is of relevance to the CCC case study is that of ultra vires. It was shown that this doctrine is applied in a strict way. The CCC's attempts to adopt non-racial local government structures of its own choice were thwarted because these efforts were considered ultra vires by higher tiers of government (see 9.8 The CCC's Local Option).

The size index was of limited relevance. It was pointed out in (4.2 Constitutional Framework) that South Africa was considered too large for a governmental structure consisting of central and local authorities only, hence the introduction of provincial structures which would supervise local governments.

Which local body has the greatest degree of autonomy? At a rather general level it can be suggested that the CCC has not got as much power as initially presumed, while the ADMC and WCRSC have more than originally thought.

At a more systematic level, one can compare the relevant indices across local authorities. One can therefore suggest that the WCRSC is more decentralised than the CCC in respect of personnel systems, because the head of the latter's personnel body was appointed by the CPA. The directly elected CCC and ADMC are more decentralised than the indirectly elected WCRSC. The ADMC, in particular, and the WCRSC, have greater possibilities of influencing national decision-makers than the CCC. The WCRSC's powers appear to be most decentralised when it comes to the major

functions of each body that was examined. The process is somewhat uneven in the case of the ADMC, with this body having a large say in the upgrading of Bonteheuwel but little input in the upgrading of Heideveld. The CCC's land use planning function is still handled largely in a deconcentrated and delegated way. In terms of the party-political issue, it can be suggested that because ADMC had access to LP national politicians who could take action on their behalf, this body was more decentralised than the CCC. The latter body, having a large number of PFP councillors, could articulate its demands through PFP national representatives. However, anti-apartheid MPs had little influence on government in the 1980s.

The CCC is more autonomous than the WCRSC in respect of the nature of revenue base, local taxation being more decentralised than the centrally set services levies and establishment levies. When it comes to the question of the elasticity of the tax base, the WCRSC's regional establishment levy is more elastic than the CCC's rates. The final financial category was that of local authority financial discretion over expenditure. It can be suggested that the CCC is more autonomous than the WCRSC when it comes to both the scale (i.e. the amount) of money it is allowed to spend and the objects on which it can spend its money.

When it comes to hierarchical relations, the WCRSC appears to be more decentralised than the CCC. This is because the CPA exercises a combination of a more

decentralised laissez faire and a regulatory approach over the WCRSC, compared to a combination of the less decentralised regulatory and promotional approach over the CCC. In addition, the House of Assembly exercises a promotional approach over the CCC. Finally, De Forges' administrative controls over the functioning of local authorities are applied more tightly by the CPA over the CCC than the WCRSC.

As an overall assessment it can be said, with reference to the framework, that none of these bodies has been vested with extensive devolution of powers. One can, however, try to pinpoint which local authority is the most autonomous. Over eight indices compared, the WCRSC is thus the most autonomous in respect of four dimensions, the CCC in two and ADMC in one, with the last two bodies also being equally autonomous in respect of being directly elected.

Does this mean that the WCRSC is the most autonomous local body studied? The answer is inconclusive. Firstly, one of the limitations of the framework of analysis is that, due to the reasons outlined (in 3.9 Conclusion), only selected aspects of the framework could be utilised in the case studies. For example, while the WCRSC and ADMC may be more autonomous than the CCC when it comes to comparing one major function of each of these bodies, this cannot be extrapolated into a generalisation. Secondly, the three local authorities that were examined are different types of local government structures. This also makes generalisation

difficult. Thirdly, are all these indices comparable in weight? It is suggested that some indices are more conducive to decentralisation than others. In particular, local authority financial discretion over expenditure is perhaps the most important index. The CCC, with the ability largely to determine spending priorities, can arguably be considered more decentralised than both the WCRSC, which is circumscribed in terms of what it can spend on, and the ADMC which has no powers but is able to call on national politicians to ensure that its wishes are carried out.

In view of this, it is suggested that the framework of analysis is only useful to a limited degree. By pinpointing specific indices of decentralisation, it makes for a far more comprehensive analysis than the many unsystematic empirical accounts of the government's devolution policy. However, due to its limitations it can only partially compare the degree of decentralisation between local bodies.

12.3 DEVOLUTION, DELEGATION, DECONCENTRATION OR CENTRALISATION?

In the light of the discussion of the framework of analysis in the previous section, has local government reform in the 1980s then been characterised by devolution, delegation, deconcentration or centralisation? Before this question is answered, it must be emphasized that the conclusions reached here are based on the experiences of three major Cape local authorities. There was little coordination among the various provinces which were responsible for implementing

the decentralisation of powers down to the various local authorities. This means there could be, and has been, provincial differentiation in respect of the degree of powers being decentralised down to local authorities. It was, in fact, pointed out (in 9.4 Delegation of Powers) that it appeared that the CPA had a more centralist attitude towards local authorities than had the other provinces. This means that one must be cautious in extrapolating these data into general trends which are applicable to the whole country.

These shortcomings notwithstanding, it can be suggested that local government policy in the 1980s reflects elements of devolution, delegation, deconcentration and centralisation. However, as already pointed out, very little devolution of power has occurred. Perhaps the major illustration here is that WCRSC councillors are able to determine upgrading priorities without central intervention. As pointed out, even this has limitations, because the WCRSC is obliged in terms of the principal Act to spend its money on specified functions (see 11.4 The Upgrading Process). The major form of decentralisation has been delegation. It was pointed out that the CPA delegated various powers to the CCC, with land use planning being the most prominent example. However, this has tended to be a minor form of delegation, with a large number of powers still residing in the Administrator of the Cape (see 9.6 Town Planning). Some

of the powers that the ADMC has managed to acquire for itself can also be classified as being delegated.

A good example of deconcentration is the large-scale powers held by the Provincial Administrators in regard to the operation of the RSCs. They have the powers, inter alia, to establish a RSC, to decide which local authorities are going to participate in it, to appoint the chairman of the RSC, to decide which functions the council will perform and to determine which CBDs and industrial areas can be excluded from the RSC. In the case of the WCRSC, it was shown how the Administrator of the Cape used his powers to ensure that this body was structured in a way to minimise any potential opposition to its operation (see 11.2 Formation of the WCRSC). Furthermore, a number of powers in respect of local authority activities are still held by the Administrator. It was pointed out that the Administrator still holds a number of important land use planning powers (see 9.6 Town Planning).

The most prominent form of centralisation has been greater macro-economic control by the Department of Finance over expenditure of local authorities, particularly in respect of the operating budgets. This is clearly evident in the chapter on the CCC, where it was pointed out that such controls are unduly restrictive (see 9.5.1 Effects of Controls on CCC's Revenue Base).

What is the balance between these various concepts? In the light of the foregoing discussion, it can be suggested

that delegation and deconcentration are the most prominent forms of decentralisation, while elements of centralisation are also present. However, there are only limited manifestations of devolution evident. In conclusion, it can thus be suggested that although the government was committed to devolution of powers to local authorities in the 1980s, the examination of selected Cape local authorities has shown that minimal devolution has in fact occurred.

12.4 EVALUATION OF THE DEVOLUTION POLICY

It was pointed out (in 6.10 Objectives of Devolution) that there were three main objectives of devolution of powers to local authorities:

1. It was a mechanism through which group rights could be protected.
2. It was an attempt to devolve highly contentious issues from central to local level, i.e. a conflict-defusing mechanism, and a way for the central government to rid itself of local development problems.
3. It was an attempt to introduce more cost-effective and efficient service provision through allowing decisions to be adapted to local conditions.

It is suggested that the government has succeeded in none of these objectives and that there are, in fact, inherent contradictions between them. Devolution as a means of protecting group rights was not successful. Municipal election results for Blacks, Coloureds and Indians in the

1980s showed that there was little enthusiasm amongst these groups for apartheid-based local authorities. It was shown, in the case study on the CCC, that not all White local authorities were in favour of group-based solutions either (see 9.8 The CCC's Local Option).

Devolution as an attempt to transfer highly contentious issues from central to local level, has been nothing short of calamitous. The chapter on BLAs showed how attempts to create independent local authorities in Black townships without financial resources led to the resignation of councillors, the collapse of councils and an on-going rent boycott. Instead of ridding itself of local development problems, the state ended up with a direct assault on its ability to govern certain townships (see 8.7 The 1984-86 Urban Uprising against BLAs). There has also been little enthusiasm amongst Coloureds and Indian local office-bearers for Management Committees to accept extra powers, with such representatives seeing this as a step towards independent local authorities (see 10.6 ADMC/CCC Relations: 1984-1989). This brings us to a contradiction between the first two objectives. Efforts to decentralise powers on a group basis have in fact enhanced, and not reduced, conflict and have also contributed to the general failure of the government strategy of co-opting a multi-racial alliance to act as a bulwark against the forces of radicalism (see 6.2 Total Strategy).

The third objective, to increase cost-effectiveness and efficiency at local level, has not been a success either. The introduction of the 'general affairs'/'own affairs' dichotomy has led to a duplication of functions, the creation of unnecessary structures and the inefficient use of resources. This objective also conflicts with the first objective of protecting group rights. In order to maximise group rights at local level it was necessary to create, from an administrative point of view, wasteful racially-based structures.

Furthermore, as the case studies have shown, extensive devolution of powers to local authorities has not occurred. It is necessary to examine in more detail the reasons why devolution as a policy has not succeeded. It was pointed out (in 2.11.2 Implementation Studies) that policies may fail during the implementation stage due to a whole variety of reasons. Some of these factors are illuminating when analysing the devolution process in the 1980s. Lack of resources is one of the most important factors that prevented the successful implementation of the devolution policy. It was pointed out that apartheid cities meant that poorer Black, Coloured and Indian townships have been divorced from rate-generating commercial and industrial areas which are mostly controlled by richer White local authorities. Furthermore, general poverty means that most township dwellers reside in low-rateable, low-cost housing. These factors mean that there is insufficient revenue to

sustain most BLAs. The government's decision to establish BLAs without sufficient financial resources was the major cause of the violent opposition to these structures in the mid-1980s (see 8.7. The 1984-1986 Urban Uprising against BLAs). Although BLAs were resurrected in the late 1980s, they were still subject to the same financial limitations. In Coloured and Indian areas this lack of financial resources has contributed to the fact that no Coloured Management Committee in the country has evolved into an independent local authority. This was shown in the chapter on the ADMC (see 10.5 ADMC/CCC Relations: 1984-1989).

The introduction of RSCs in 1987 meant that poorer local authorities now had access to new sources of revenue. However, as the case study on the WCRSC showed, such funds are for capital development only; they cannot be used to subsidise operating deficits of BLAs. Until a more equitable division of revenue across cities occurs, this problem of finance is likely to persist.

Another important ingredient of devolution is that of human resources. If local authorities are to be responsible for many functions they will require many more trained staff. In South Africa the shortage of trained staff has bedevilled attempts to create properly functioning local authorities. There are two different types of employee that have to be taken into consideration: skilled administrative/clerical staff and professional staff. Skilled administrative/clerical staff are a problem in Black

municipalities. White staff often have to be employed in senior administrative positions. This is not such a major problem in Coloured/Indian areas. Management Committees'/LACs' secretaries are trained in-house by White local authorities. If Coloured/Indian areas hived off from White local authorities and became independent they would have these trained staff at their disposal.

Perhaps an even greater problem is the shortage of professional staff. Even smaller White local authorities have problems attracting staff of this calibre, let alone Black local authorities and any future independent Coloured/Indian local authorities. There are few skilled Black, Coloured and Indian professionals such as engineers, town planners and doctors. There is also a reluctance among people from this limited pool to work for independent local authorities, because of the stigma attached to working for racial bodies. Moreover, there are better and more remunerative careers in the private sector. This was one of the factors that prevented the government from creating independent Coloured local authorities (see 4.7 Coloured and Indian Local Government).

The calibre of councillors is another issue that warrants attention. Problems of illegal and unethical conduct by councillors have been a major issue in Black areas and have been prevalent in independent Indian local authorities too. In response to this shortage of human resources the government established the Training Board,

whose objective is to train local government officials and provide guidance to councillors. Although these measures are likely to ameliorate this lack of human resources in the long term, its effects were hardly felt in the 1980s. The identification of training needs and the introduction of training programmes alone took a couple of years (see 9.7.3 Effect of Training Board's Activities on CCC). The proper training of all the relevant staff is likely to take a great deal longer. Also, the major problem of the lack of professional staff remains unaddressed. The problem of trained staff will remain a major problem under the neo-apartheid framework which has attempted to divide powers and functions on a racial basis.

It was also pointed out that implementation is more of a problem in the Third World than in developed countries. This is because in many of these countries, groups/individuals are excluded from the formulation stage of policy and can articulate their interests only during the implementation stage. Two examples of this phenomenon can be identified in respect of the devolutionary process in South Africa:

- i) the attitude of most Coloured Management Committees to devolution of powers;
- ii) the resistance of many Black township dwellers to the BLA system.

Firstly, one of the major problems in the implementation of devolution of power has been the refusal of most

Management Committees to accept greater powers because of the concern that this was a step in the direction of independent racially-based local authorities. In 1988, 106 functions were identified which could be delegated to Management Committees/LACs. However, very few Cape local authorities have accepted these powers because of this reason (see 10.5 ADMC/CCC Relations: 1984-1989). Similarly, in Natal a list of powers which could be vertically devolved to local authorities was drawn up and approved by the Provincial EXCO. This draft legislation was, however, rejected in the Natal Provincial Standing Committee by the Houses of Delegates and Representatives because this devolutionary process was seen as an extension of racially-based policies (Interview with Director, NPA, 1988). It was also pointed out that the House of Representatives did not want the horizontal extension of powers, seeing this process as an extension of apartheid. Supervisory powers in respect of Coloured and Indian local authorities' 'own affairs' functions are accordingly still vested in the respective Administrators (see 10.2 Constitutional Relations).

Besides token Coloured and Indian representation on the President's Council's Committee which examined options for a new constitution for the country (the LP in fact boycotted this body), the major 'collaborationist' Coloured and Indian political parties who in turn controlled most of the Management Committees/LACs in the country, had limited say in the formation of the new constitution.¹ They disagreed

with the neo-apartheid objectives of the 1983 constitution, and because they had no say in its formulation they are using the implementation phase to frustrate the extension of this racial division of powers.

It was shown in the case study on the ADMC that, although this body was initially in favour of acquiring extra decision-making powers, pressure from a number of quarters (including fellow Management Committees and elements of the LP caucus) caused ADMC to retreat from this request (see 10.5 ADMC/CCC Relations: 1984-1989).

Another example of how individuals, who are excluded from the policy formation stage, can make their presence felt during the implementation stage was the case of BLAs. There was no Black input into the formulation of the new policy and little enthusiasm for these bodies, as evidenced by the generally low polls in 1983. It was only once they became functional, viz. during the implementation stage, that there was significant Black input on the outcome of this policy. Target group opposition was the major reason for the collapse of many BLAs. This was due both to opposition to imposed apartheid structures and to the fact that most of these bodies had to introduce steep rent and service charges to accrue sufficient revenue to perform their functions (see 8.7 The 1984-86 Urban Uprising Against BLAs).

It was pointed out (in 2.11.1 Intervention or Control) that there are limits to total control in an organisation.

All delegated tasks involve some discretion. This means that the attitudes of public bureaucrats, whose task it is to implement public policies, are an important contributory factor to the success of a policy (also see 2.11.2 Implementation Studies). Departmental empire-building was a prominent characteristic of the Vorster era (Geldenhuis, 1984 : ,74) and there is evidence that this trend continued during the Botha years.

Devolution was viewed as a threat to the powers of central and provincial departments and bureaucrats were, accordingly, half-hearted about implementing this policy. Alwyn Schlebush, then Minister in the State President's Office responsible for Administration, said bottlenecks between levels of government had been caused by functionaries who were either unaware of cabinet guidelines on inter-authority relations or who shared a degree of resistance to the reducing of their powers. Two major groups of dissatisfied employees were identified:

- CP-orientated ex-Development Board officials who objected to the government's reform programme, having lost powers and functions with the abolition of Development Boards and the introduction of fully-fledged BLAs;
- those who resisted the loss of responsibility and job opportunities resulting from the creation of separate administrations for Coloureds and Indians. The introduction of these ethnic Own Affairs Departments

meant that a number of jobs, which were previously handled by Whites, were now given to Coloureds and Indians. This means there are now no real career opportunities for Whites in these ethnic Administrations. This was a source of major discontent in the public service (The Argus, 8/9/1987; Sunday Star, 13/9/1987; Heunis, 1988 : 208).

It was also shown (in 9.4 Delegation of Powers) that CPA bureaucrats were reluctant to devolve extensive powers to local authorities because of the fear that this would weaken their own powers.

There is also evidence which suggested that reformist-orientated bureaucrats hindered this devolution of power policy. Reformist-orientated DCDP officials on the Project team investigating the issue of devolution managed to dilute the horizontal transfer of powers to the White Minister's Council. They saw this process as an extension of, rather than a move away from, apartheid structures (see 7.19 Own Affairs Administrations).

It was pointed out that policy goals are often multiple, conflicting and vague and that this frequently leads to problems during the implementation stage. When looking at the main features of new local government legislation (in 7.22 Evaluation of State Strategy) it was suggested that there was a certain amount of confusion amongst policy-makers about what exactly devolution entails. This in turn has led to vagueness and ambiguity in policy,

with many components of new legislation reflecting deconcentration and delegation rather than devolution. This was corroborated when looking in all three case studies, with none of these local authorities being vested with extensive devolved powers.

There were, however, more substantial reasons than implementation problems for the reluctance of the NP to loosen the control strings over local authorities. Firstly, insecure governments with a narrow base of legitimacy are reluctant to devolve powers to local authorities because of the fear that they may be building up centres of opposition to their own rule. It was argued (in 6.1 Introduction) that reform policy in the 1980s was made in an elitist fashion; generally in order to ensure that the NP could share power without losing control. The corollary of this centralist policy-making was the tendency of the central government and its provincial adjuncts, for security reasons, not to devolve extensive powers to local authorities. This becomes clear in the chapter on the CCC (see 9.8 The CCC's Local Option) where an attempt by this local authority to introduce non-racial local government structures was thwarted by the central government because such an option was seen as being contrary to the group-based solutions that were deemed essential for continued White minority rule. It was also evident in the chapter on the WCRSC where this structure was set up in a way that facilitated national objectives (see 11.2 Formation of the WCRSC). Even if

constituent local authorities did not agree with these objectives, there were sufficient safeguards to ensure that central government's will would be enforced ultimately.

The second reason for centralised legislation was the viewpoint that the local government developmental process has to be controlled from the top because of the lack of sufficient skills, experience and finance at local level. It was shown (in 10.5 ADMC/CCC Relations: 1984-1989) that Management Committees could only be granted extra decision-making powers after an investigation by the Administrator to determine whether such bodies were competent to perform these extra functions. Furthermore, it was pointed out (in 8.3 BLA Act of 1982) that the Minister of DCP had a wide range of powers at his disposal to ensure that local authorities behaved in an administratively responsible fashion.

The third major reason for the continued need for central control was macro-economic objectives. In the case of the CCC, it was shown that there has been little delegation of financial powers to this body. Rather, the most noticeable trend had been the centralisation of financial powers by the Department of Finance (see 9.5.7 Delegation of Financial Powers). Similarly, in the case of the WCRSC it was shown how this body did not have the powers to set the rates for its levies (see 11.6 Financial Control).

A fourth reason for the failure of the NP to implement its devolution policy was its viewpoint that, in a unitary state, central government is responsible for final legislative authority (Thornhill, 1985 : 18). . This implies a relative degree of control over local authorities' activities. This was evident in the case study on the CCC (see 9.4 Delegation of Powers). The CPA delegated, instead of devolving, powers to the CCC because of its viewpoint that, in terms of the country's unitary constitution, there should always be a higher approving authority.

If these different reasons are weighted, it can be suggested that the first point - that of strategic objectives - was the most important obstacle to the extensive devolution of powers. As Mawhood (1983 : 253) puts it: "where a regime is struggling to survive - at a time of civil war, or active hostility between groups in the society - it is no time to think about decentralising power."

Concluding then, the major reason for the lack of devolution of powers to local authorities in the 1980s was that many central and provincial NP politicians, in the face of increasing opposition to White minority rule, simply lacked the political will to support this policy wholeheartedly.

12.5 POSTSCRIPT : LOCAL GOVERNMENT IN THE 1990S

This thesis concerns itself with the 1980s. An era has passed and with the initiatives of the new F.W. de Klerk administration there is a possibility that South Africa will advance to a more democratic system.

Major Black political organisations, including the ANC and Pan-Africanist Congress (cited hereafter as PAC), were unbanned in February 1990. The NSMS system has been scrapped.² The government is committed to negotiating a political settlement with all Black political organisations in the country. It is committed to scrapping all vestiges of apartheid, including the Group Areas and Population Registration Acts, such indispensable pillars of the local government system of the 1980s. According to reports, Own Affairs Departments are being downgraded and will eventually be scrapped (Sunday Star, 20/5/1990). Non-racial municipalities, taboo during the Botha/Heunis era, appear to be around the corner. The government has already committed itself to allowing representatives of all population groups on all levels of government, and on 13 December 1990 President de Klerk announced his support for the "one city, one tax base" policy (The Argus, 15/12/90).

A major investigation by the Coordinating Council led to the recommendation that five models of local government should receive further discussion and negotiation. These options are:

- i) separate local authorities for the population groups with own areas of jurisdiction, with the provision that racially separate cities would be allowed where financially viable;
- ii) a mini-RSC with a joint administration constituted by autonomous local authorities and local bodies, which take some decisions together;
- iii) a Joint Local Authority constituted by neighbourhood Management Committees, on a non-racial basis;
- iv) a simple majoritarian model with or without protection for minorities;
- v) any other local negotiated model (RSA, Coordinating Council, 1990).

Models (i) and (ii) are variants of the current neo-apartheid system, while models (iii) to (v) make provision for the establishment of non-racial municipalities. This recommendation has been accepted in principle by the government and these models are currently being circulated for further comment.

The previously banned ANC, which opinion surveys have consistently shown to have the greatest support amongst all South Africans, has also begun to develop its local government policy. While it is strongly committed to a unitary, central state, provision is made for democratically elected local authorities. The extent of powers that these bodies are going to have remains unclear; concern has been expressed that such bodies will be little more than bodies

with delegated functions (Cameron, 1990). However, it is perhaps premature to make any final judgments about the ANC's local government policy.

Devolution of power to local government seems to be receiving far greater priority on the part of the state in the 1990s. The older idea that White interests could be protected through the creation of federal regions is becoming less tenable in state circles as studies show that this group will be the minority in virtually every subordinate region anyway.³ The strategy that is increasingly coming to the fore is that Whites' interests can be strongly protected through decentralisation to small local government units which would control their own municipal services, schools and police. Although ostensibly non-racial, the richer units would, given past inequalities, be primarily White. With their own budgets and sources of revenue they could continue living in exclusive areas and not contribute to the upliftment of the poorer Black areas in the cities.

This objective was not a major motivation for devolution in the 1980s, for the reason that the NP was not prepared to relinquish its power at central level. Under de Klerk, it appears that the NP is prepared to concede that it will no longer have an exclusive monopoly over central power. It acknowledges that Blacks will be the majority in a post-apartheid government. It still, however, would see itself as part of a future multi-racial ruling alliance. There would also be a number of checks and balances on the

powers of a predominantly Black-run government, with devolution of power to local authorities being one of them.

A major problem, even for a future ANC-dominated government, is the ongoing rent boycotts in Black townships. The ANC may have sown 'dragon's teeth' for itself by supporting such campaigns. It is unlikely, even if a political settlement is reached in the foreseeable future, that large numbers of township residents are going to do a sudden turn around and become obedient rent-paying citizens.

Nevertheless, a great deal of negotiating and bargaining over the form of the post-apartheid local government system seems likely. What can, however, be said with certainty is that the elaborate 'general affairs'/'own affairs' system of the 1980s is going to be dismantled in the post-apartheid era, rendering some of the material of this thesis obsolete. Unfortunately, one of the hazards of conducting research in a rapidly changing society is that data are dated very quickly.

Nevertheless, this neo-apartheid system is not going to disappear overnight. Even if a political settlement is reached in the early 1990s, administrative reorganisation will take longer to achieve. The Republic of South Africa Constitution Act was promulgated in 1983, yet it took six years for the Department of Local Government in the House of Assembly to assume supervisory powers over White local authorities. The time-consuming process of identifying and reallocating functions at a minute micro-level, and bureau-

cratic resistance to the loss of these powers, were the major reasons for this. Given that the nature of the public service (namely, its present operating procedures and predominantly white complexion in middle and senior-management) is likely to remain unaltered (at least initially) in a post-apartheid era, administrative rationalisation of the 1990s is going to be subject to the same constraints as those of the 1980s. The institutions described in this thesis are likely to remain for some time and the structures that will succeed them will inevitably carry their birthmarks, making a measure of continuity - in substance if not in form - inevitable.

Finally, although it is not its major aim, the thesis describes one important dimension of the state's crisis of legitimacy and the ruling NP's efforts at reform. Much of the literature dealing with South African politics generally has ignored or overlooked important and interesting developments in lower tiers of government. In its detailed analysis this thesis has, hopefully, shed light on these processes.

NOTES TO THE TEXT

CHAPTER I:

1. The terms 'local authorities', 'local government' and 'municipality' are used interchangeably in this thesis. What exactly constitutes local government will be discussed in 2.2 Terminology.
2. As will be shown in Chapter IV, Black local government has, until the 1980s, followed a different constitutional and political route to that of White local government. There has been much greater central intervention over Black local government.
3. As the NP policy moved from 'baasskap' (White superiority) towards a policy of independence for different Black groups, so did its terminology generally shift from racial divisions towards ethnic differentiation, without completely abandoning its previous nomenclature. This is not a concern of this thesis and the terms 'racial' and 'ethnic' are used interchangeably, although it must be pointed out that South Africa does not consist of racial or ethnic groups in a sociological sense. Furthermore, it is acknowledged that racial nomenclature is a hazardous minefield and South African 'official' designations sometimes cause offence to those designated; e.g. many Coloured people object to the label 'Coloured' and preface its use with 'so-called'. To avoid confusion this thesis uses official terminology. Accordingly, those classified as 'Coloured' will be referred to as

such. Likewise, the term 'Blacks' refers only to Africans and not, as is the practice in some circles, to all those categories previously designated as 'non-white'. It must, however, be stressed that the use of official terminology in no way implies approval of it.

4. A case study of an Asian local government in this region was not examined because of the fact that this group constitutes such a small percentage (about one percent) of the Western Cape population and is not an important political grouping in the region.

CHAPTER II

1. Very little in the way of original material has been written on intergovernmental relationship theory in South Africa, with the partial exception of Hattingh (1986).
2. Some experts in the field argue that non-elected traditional forms of leadership such as village headmen can also be legitimate representatives of local communities (Mawhood, 1983 : 10).
3. Local government does not have a monopoly on these values, nor can local government be judged exclusively in terms of these three values (Stewart and Greenwood, 1985 : 9). A number of theorists argue that local governments should also embody the value of equity (see 2.10.4 Equity/Territorial Justice).

4. The current constitutional restructuring in Poland and Hungary has been characterised by a heavy emphasis on local government reform in order to curb the hitherto untrammelled powers of the ruling Communist parties.
5. This criticism can be levelled at much of Public Choice theory (see Ostrom, 1973 : 75-81).
6. A similar argument has been made in recent times by Page (1981), albeit not in such an extreme form. He questioned the proposition of whether increased central control is necessarily a bad thing and, conversely, whether local autonomy is a good thing.
7. Panter-Brick (1954 : 346-347) argues the reverse; viz. that local government has been historically associated with democracy. However, it has already been pointed out that this proposition is not true. For a further refutation of Panter-Brick's argument see Moulin (1954 : 433-437).
8. The somewhat controversial area of which countries exactly fit the criteria of being federalist is beyond the scope of this thesis. The author will confine himself to federal states which show a genuine attempt to divide powers between the various tiers of government. This will exclude, inter alia, the pseudo federalism of the USSR.
9. In reality, as Smith (1981 : 137) points out, this is not the case due to a number of factors such as the large number of deputies who constitute a Soviet and the infrequency of their meetings.

10. However, sometimes the problem is not size per se; large rural local authorities are often sparsely populated and lack a sufficient revenue base. Paddison (1983 : 259-260) also discusses the problem of fragmentation of local authorities in more detail.
11. This usage of these terms follows that of the CCC's (1982 : 54). Effectiveness is the extent to which the objectives of the task have been achieved while efficiency is the optimal use of resources to achieve this objective. Efficiency is quantifiable but, as indicated in the text, effectiveness cannot always be measured. It is also therefore theoretically possible to be inefficient and effective. For example, subsidised rates for civic halls is an inefficient use of resources, but effective in the sense of promoting civic awareness.
12. This argument has, however, already been refuted when looking at the liberty/democracy value of local government (see 2.3.1 Liberty/Democracy).
13. There is a certain viewpoint which posits that all grants undermine autonomy. The argument is that if a local authority is self-financing, the taxation level can be adjusted to balance with expected expenditure needs. This is not possible if a local authority relies on a higher tier of government for its revenue sources. This argument is not without merit (see 3.5 Finance and Autonomy) but it does not change the fact that it is possible for a certain amount of local

autonomy to co-exist alongside central government subsidisation.

14. This debate is sometimes couched in terms of rational vs. incremental decision-making models (Ham and Hill, 1984 : 76-94).
15. Attention will be focused primarily on the African experience, with particular reference to former British colonies. Most countries in tropical Africa (including South Africa) are erstwhile British colonies.
16. Decentralisation is also used to promote national unity in the Third World (see 2.9 National Unity).
17. For a more detailed account of some of the varieties of mixed models, see Conyers (1983 : 123-124).

CHAPTER III

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CHAPTER IV

1. For an excellent account of the development of local government in the various colonies prior to Union in 1910 see Green (1957).
2. Constitutional gerrymandering by the NP in the 1950s led to the abolition of the last vestiges of non-racial representation at central level, i.e. the Cape Coloured franchise.
3. In reality, this meant that during the pre-1980 era the electoral divisions for members of the House of Assembly and Provincial Councils were coincidental in

the Cape Province and Transvaal, not coincidental in the Orange Free State and initially not coincidental but later coincidental in Natal.

4. Police protection has never been a local government function. Education was initially a provincial function but, as pointed out in 4.3 The Provincial System, policy-making in respect of this function was taken over by central government. Social welfare was also initially a provincial function, but was also taken over by central government in 1940. Before this the provincial administrations had in fact delegated much of the work of social welfare to local authorities (Floyd, 1952 : 52).
5. There are different types of provincial rating systems, the examination of which is beyond the scope of this thesis.
6. The major reason for this was the inelasticity of rates, which was discussed in 3.6.2 Elasticity of Tax Base.
7. The UP was the official opposition in the House of Assembly. It had been the government until its defeat by the NP in 1948.
8. The industrialisation/decentralisation policy was an attempt to promote industry in areas where the government wanted economic growth for ideological reasons, e.g. Black homelands and Coloured resettlement areas such as Atlantis in the Western Cape (see Zille, 1983 : 58-71).

9. There was provincial variation in respect of control over local authorities. This summary will concentrate on the general provincial practice with a slight bias in favour of the Cape practice, seeing that the case studies are on Cape local authorities. The more specific controls will be discussed in these case studies.
10. A full discussion of valuation procedures is beyond the scope of this thesis. It can just be mentioned that Valuation Courts are quasi-judicial bodies with powers to determine valuation rolls and to hear valuation appeals.
11. This was not required by Divisional Councils. Each Divisional Council approved its own conditions of employment.
12. Indians were denied rights of residence in the Orange Free State and had to obtain permission to travel through it!
13. Natal Provincial Ordinance 21 of 1942 provided that only Indians whose names appeared on the parliamentary voters' roll before 1 July 1924 could be registered as municipal voters in that province and could also be elected to a town council (RSA, President's Council, 1982B : 22).
14. These powers were later transferred to the Minister of Coloured Affairs and then to the Minister of Internal Affairs.

15. Coloured citizens who were registered municipal voters in October 1971 in the Cape could, however, retain their franchise provided that a Management Committee had not yet been created in their area. In Natal it was decided in 1956 that no new Coloured names could be added to the voters' roll. This, together with the already mentioned restrictions on Indian voters dating back to 1924, effectively disenfranchised Coloured and Indian voters (RSA, President's Council, 1982B : 18-23).
16. There is one independent Coloured local authority in Pacaltsdorp, but it did not arrive at this position via the Management Committee route. It had been under the control of its own Village Management Board since 1886 and became independent in 1975 (RSA, President's Council, 1982A : 20).
17. The CPRC was a representative body for Coloureds at central level, having merely advisory powers. With its dissolution in 1979, these powers reverted to the Provincial Administrations (RSA, President's Council, 1982A : 28).
18. ASSOMAC is the representative body for Coloured and Indian Management Committees in the Cape.

CHAPTER V

1. This thesis concentrates on urban Black local authorities in 'White' South Africa. An examination of local structures in trust lands (areas earmarked for

incorporation into homelands) and homelands is beyond its scope.

2. This was introduced to provide a measure of protection for Blacks against unqualified or unscrupulous local authority officials (Welsh, 1979 : 137-138). This was rather ironical because, as will be pointed out, such officials became notorious for their heavy-handed treatment of Blacks, particularly in respect of enforcing influx control.
3. Maud, in his seminal work on city government in Johannesburg, shows how little influence Blacks had on Johannesburg city policy. He argues that "during the first 50 years of the town's existence, the White section of Johannesburg had assumed, without realising it, the responsibilities of a trustee for the non-European half of the population" (Maud, 1938 : 200). Nevertheless, despite its minimal powers, major Black organisations did use advisory boards for tactical reasons, to a limited degree. For example, the African National Congress (cited hereafter as ANC) fought Advisory Board elections in the 1950s (Stadler, 1984 : 112).
4. There were also strong financial controls which will be discussed in 5.7 Financing of Black Areas.
5. Because Community Councils existed well into the 1980s, more attention is given to these bodies than was given to its predecessors.

6. Davenport (1987 : 551) points out that in 1963 the government limited Black trading in townships through the introduction of a "one man one shop" policy and the prohibition of trading in all but the essential domestic necessities.
6. Because powers could be reviewed by the Minister at the end of each year, it can also be cogently argued that the form of powers Community Councils had was delegated because they could be revoked. However, because theoretically they could get final decision-making powers, and there was also a need to distinguish between these transferred powers and the delegated system of local authority control, it was decided to give Community Councils the benefit of the doubt and call these form of powers devolved.

CHAPTER VI

1. Policy content cannot be totally divorced from a discussion of the policy process. However, to include both these areas of discussion in a single chapter would have proved too bulky and cumbersome. Although policy content is briefly mentioned in this chapter, it will be dealt with comprehensively in the next two chapters. The dynamics of implementation will be dealt with in the respective case studies and to a lesser extent in Chapter VII.
2. This does not mean that policy was carried out in a rational-comprehensive fashion, nor does it mean that

the state is capable of perfect implementation. It also does not mean that policy-making is easy and uncontentious and capable of being easily solved in an environment of inter-bureaucratic power struggles (O'Leary and Dunleavy, 1987 : 190).

3. A similar argument has been made by Atkinson (1987), albeit from different theoretical premises. Instead of using the elite theory model, she utilises Foucault's concept of the Panopticon to illustrate how the DCDP controlled the reform process during the 1980s.
4. It has been reported that the government has been following Harvard political scientist Samuel Huntington's agenda of reform by stealth. In 1981 Huntington suggested a strategy the South African government should adopt if it wanted to embark on fundamental reform in the country. He argued that what was needed was a combination of a Fabian gradualist approach and Blitzkrieg tactics. The Fabian strategy enables reformers to pacify conservatives by minimising the significance of any one change and by implying that each proposed change will be the last. Blitzkrieg tactics, on the other hand, are needed to ensure the success of each individual reform. The proposed reform is drafted in relative secrecy. It is revealed to a small group of political leaders, whose support is essential to its success, and then at the appropriate moment it is unveiled dramatically. Political support for it is galvanised and the reform enacted quickly

before its opponents can collectively mobilise and organise themselves to stop it (Huntington, 1981). Although Huntington's thesis and this elitist policy-making may have overlapped in certain aspects, this was coincidental. There is no documentary or oral evidence to substantiate this claim that the South African government was following Huntington's strategic reform plan.

5. These factors are beyond the scope of this thesis.
6. This is also beyond the scope of this thesis.
7. The evolution of BLAs in the 1980s is discussed in Chapter VII.
8. The policy to reduce the costs of the public service has been a failure. Although state departments were cut from 39 to 22, as Marais (1989 : 22) points out, it did not involve the integration of existing departments; rather, it just meant combining departments into larger groups. This contributed to the fact that contrary to intentions, the public service grew by almost 20 percent in the 1980s (The Argus, 25/2/1988).
9. These intentions were not embodied in practice. In the pre-'general'/'own' affairs era, the sensitive apartheid departments of DCD (which administered Black affairs) and Community Development (which administered Group Areas) were both headed by conservative Director-Generals.
10. This had occurred during the 1976 urban riots.

11. This intention was confirmed by the leaked letter of Dr Grobler, the Chief Information Officer of the NP, to Dr Treurnicht, leader of the right-wing rebels in that party. In the letter he stated, "Doctor, I would very much like to know your position on the idea that we must at all costs attract the Coloureds as a block of 2,5 million people to the Whites to broaden our power base and not to deliver them to the 'Black Power' situation" (cited in Pottinger, 1988 : 139-140). This letter in fact precipitated the split in the NP.
12. During the first five years of the tricameral system, virtually every general bill rejected by the Houses of Representatives and Delegates and referred to the President's Council were assented to by this body (with the notable exception of the Group Areas Amendment Bill).
13. "'Own affairs' are matters which specifically or differentially affect a population group in relation to the maintenance of its identity and the upholding and furtherance of its way of life, culture, traditions and culture" (RSA, Republic of South Africa Constitution Act No. 110 of 1983, section 14).
14. Sections 14(1) and (2) of the Constitution specifies what 'own affairs' matters are. See Note 13 for more detail in this regard.
15. The White Department of Local Government only in fact assumed these powers in 1989 (see 9.5.2 Procedure for

By-Laws). The Coloured and Indian houses did not want these powers (see 10.2 Constitutional Relations).

16. Although Lombard and Croeser both pushed for depoliticisation, it would be incorrect to paint them with the same brush. Lombard's rampant free-marketeerism and his concomitant rejection of subsidisation of local authorities (ASSACOM 1985) compares starkly with Croeser's call for subsidisation to a level of minimum realistic standards (Croeser, 1985 : 18). As we will later examine, it was the latter position that prevailed.
17. These Joint Service Commissions must be considered the precursors of RSCs.
18. In 1981 P.W. Botha announced that the country was to be divided into eight (later nine) development regions, for the purpose of regional economic development. RDACs were formed in each of these regions to advise the government on regional development matters and to coordinate such regional issues on a localised geographical basis. They had no executive powers and, as pointed out in the text, resided under the control of the DCDP (Cameron, 1986B : 197-199).
19. Marais suggests that this depoliticisation involved introducing reform-orientated NP supporters at senior level. However, it would probably be more accurate, particularly in the case of the DCDP, to say that among these reform-orientated recruitments were NP and PFP supporters as well as non-aligned technocrats.

20. One interviewee went so far as to say that P.W. Botha ruled through a reign of terror.
21. This is a synonym for Orwell's 'doublespeak'.
22. After the 1988 municipal elections, the majority of local authorities in the Transvaal were under CP-control.
23. The argument that the Commission for Administration is of importance in the policy-making process (Swilling and Phillips, 1989 : 14-16) was not borne out by the empirical research of this author. Although the Commission was responsible for the implementation of the government's policy of decentralisation of power to local government level, there is little evidence to suggest that this body has affected the outcome of this policy in any significant way. The Commission is committed to the principles of 'scientific management' and its recommendations were made in line with these guidelines. What can be said about the Commission is that it determines operating procedures in the public service which tend to be rule-bound, rigid and inflexible. Although it has a conservative administrative approach the Commission, unlike the DCDP, did not appear to have a political agenda.
22. This concept was developed by the counter-revolutionary theorist J.J. McCuen who argued that revolutionary threats could be defused through material upgrading. This involved pouring financial and human resources into upgrading the most severely neglected areas into

showpieces. Such areas were called 'oilspots' (see McCuen, 1966).

CHAPTER VII

1. Not all new local government legislation is examined in this chapter. Only those Acts which relate to the devolution policy are dealt with.
2. RSCs were not created in Natal because of the opposition of the KwaZulu government, a self-governing homeland, to the top-down way in which these bodies had been established, the plutocratic voting arrangements and the fact that RSC representatives were nominated by racially-based local authorities (McCarthy, 1988 : 47). Seeing that the government was attempting to woo the KwaZulu government in its multi-racial alliance against the forces of radicalism, it agreed not to establish RSCs in Natal. Joint Services Boards along the lines of RSCs were subsequently established, but with the pivotal role of the Administrator being assumed by the Joint Executive Authority which consisted of representatives of the NPA and KwaZulu government and which performed certain executive functions.
3. Black local government was transferred to DCDP in 1985. This issue will be discussed in 8.7 The 1984-1986 Urban Uprising Against BLAs.
4. This was a continuation of the long-standing refusal of most White local authorities to subsidise their Black Revenue Account. It was pointed out in 5.7 The

Financing of Black Areas that by 1971 only 21 out of the approximately 400 White local authorities had been subsidising these accounts.

5. The issue of whether white local authorities have in fact resisted attempts to redistribute wealth to poorer areas will be taken up in 11.4 The Upgrading Process in the case study of the WCRSC.
6. The issue of whether RSCs are being controlled from the top or bottom will be examined in Chapter XI.
7. What functions were in fact transferred will be examined in 11.3 Functional Operation in the case study on the WCRSC.
8. There were also clauses affecting the operation of Black local government. These will be discussed in 8.7 The 1984-1986 Urban Uprising Against BLAs.
9. Such draconian legislation does not exist in other provinces. For example, although the Transvaal ordinance makes provision for the Administrator to fire councillors this is only for specific cases of misconduct. The effect of this legislation on CCC/ADMC relations will be discussed further in 10.8 Reactional Power - Ordinance No. 3 of 1986.
10. Farmers are often self-sufficient in respect of certain services and therefore have no real need to be incorporated into a local authority.
11. In December 1989 the Department of Finance was restructured. The Public Finance branch was scrapped and was replaced by a Financial Relations branch which

had a section in charge of intergovernmental relations (Cape Times, 16/12/1989).

12. Since the introduction of the new provincial system in 1986, the provinces have been treated by the central government in the same way as state departments. Accordingly, the Office of the Provincial Auditor was abolished and the province is now subject to the control of the Auditor-General, just like all other state departments.
13. The issue of the 1988 municipal elections will be taken up further in 8.9 1988 Municipal Elections.

CHAPTER VIII

1. Precisely because of this reason, Riekert was included in this chapter on Black Local Government in the 1980s.
2. The Report was also strongly critical of the DCD acting as a 'public service within a public service'. During B.J. Vorster's tenure as Prime Minister the Department had assumed overall responsibility for the administration of virtually all facets of urban Black life. It recommended that specific functions be transferred to the relevant functional departments, e.g. Sport, Justice (RSA, Riekert, 1979 : 208-209).
3. It is interesting to note that this was a function which White local authorities did not have (with the exception of Durban, which had a small municipal police force).

4. In an interview in 1989 Minister Heunis, who was chairman of the Standing Committee on the Constitution which dealt with the bill, admitted that it was a mistake to set BLAs adrift without adequate financial resources. He also intimated that Dr Koornhof wanted to push the Act through for this strategic reason of defusing conflict.
5. There was an attempt to get a parallel President's Council body, deemed a Black Council, off the ground, but this was even rejected by homeland leaders (Maré, 1983 : 30).
6. It is sometimes suggested that this uprising was also prompted by the exclusion of Blacks from the tricameral system. However, there is little evidence to substantiate this claim. In substantial reviews of the urban township revolts neither Swilling (1987) nor Seekings (1988) makes any reference to this reason making a major contribution to the unrest. Another reason for the unrest was advanced by the government, which argued that there was an orchestrated plot by revolutionaries to make the townships ungovernable. The evidence, however, suggests that many of these campaigns were in response to crises in local urban service delivery rather than any orchestrated effort to make the townships ungovernable (Swilling, 1987).
7. Certain other local authorities were nominally functioning, but from the safety of secluded high security compounds (Humphries and Shubane, 1989 : 92).

8. It seems that economic reasons were initially the major reasons for the boycott. Chaskalson et al (1987 : 58) argued that the use of rent boycotts as general weapons of protest around national demands only really took off in mid-1986. Notwithstanding, economic reasons still remained the major mass-based reason for the boycott during the 1980s. According to a survey in Soweto by Frankel in 1987, 83% of respondents referred to socio-economic conditions as reasons why the community supported the boycott (cited in Planact, 1989 : 25-26).
9. Most rent increases announced in mid-1984 were suspended after the violent protests (Chaskalson, et al., 1987 : 62).
10. As will be examined later, the government soon introduced measures to ensure that Black local government administration became operational.
11. A major reason for this was a belated recognition by the government that it was morally undesirable to sell liquor in order to render services to the Black community (see HAD., 25/6/1986 : Col. 19976).
12. Provisions of this sort were included in the 1977 Community Council Act, but were inexplicably omitted in the 1982 Black Local Authorities Act (HAD., 12/6/1985 : Cols. 7376-7).
13. The Department of Development Aid, the successor to the DCD, retained responsibility for the South African Development Trust land and rural development, while the

manpower functions went to the Department of Manpower.
All other functions went to the DCDP.

14. In reality, only a small proportion of Blacks who had been denationalised through the independence of Transkei, Ciskei, Bophuthatswana and Venda regained their South African citizenship (Budlender, 1990 : 69).
15. This concept of city states had been thoroughly investigated by the Cabinet Committee on Constitutional Affairs in the 1980s and was found to be unviable for political, economic and administrative reasons. This had been accepted by the NP. It is speculated that this idea had been resurrected by P.W. Botha at the instigation of securocrats who felt that Black uprisings could be more effectively controlled if they were isolated in townships rather than being dispersed in urban areas as a whole (Interview with former senior DCDP official, 1991).
16. The Promotion of Constitutional Development Act of 1988 made provision for such a forum. This National Council concept which had first been mooted by P.W. Botha in 1986 had been delayed due to the refusal of legitimate African leaders to participate (Swilling, 1988C : 91).
17. It has been suggested that the state had been slow to react to this challenge to its power in a more systematic fashion because of the power struggle between reformists and militarists that was occurring in the 1984-1986 period (Phillips et al, 1988 : 29-30).
(Also see 6.6.3 Minister Heunis's Personality).

18. This occurred in spite of JMC attempts to obstruct talks (Planact, 1989 : 27).

CHAPTER IX

1. The CCC's Black population was comprised of Langa, Guguletu and KTC. Langa and Guguletu fell under CCC control prior to 1971 and now form part of the Ikapa Town Council. The more recently established KTC squatter camp also falls within the CCC's boundaries. Its services are provided directly by the CPA.
2. Central legislation and control procedures applying to the whole country have been described in Chapter VII and will not be repeated here. There are, however, certain provincial ordinances and control procedures which apply exclusively to the Cape and are best described in this chapter. There are also certain control measures which are shared between the central government and CPA and are also best suited to this chapter.
3. The CPA restructured its Department of Local Government in 1987 to accommodate Black local government which had been transferred to it (see 7.18 Provincial Government Act of 1986). The Department of Local Government was now called the Community Services Branch. It had two main directorates, the one being that of Chief Directorate: Local Government and the other being Chief Directorate: Community Development. The former directorate performed the functions previously performed by the Department of Local Government, while the latter

directorates dealt with Black local government (CPA, 1987A : 29).

4. The Department of Local Government, House of Assembly has been, since 1/4/1989, responsible for the supervision of many CCC activities. This thesis only covers nine months of the intergovernmental relationship between it and the CCC, so it is difficult to examine this issue in the same way as was done with the CPA. However, in 9.6.3 House of Assembly/CCC Intergovernmental Relations certain emerging aspects of this department's supervisory style will be examined.
5. There has been little co-ordination between provinces when it comes to decentralising powers to local authorities. This is reflected in provincial variation in the scope and nature of powers that have been decentralised to local authorities.
6. Since the transfer of certain supervisory powers to the Department of Local Government, House of Assembly in 1989, this process of examining the ordinance for further delegations is being handled by a joint CPA/House of Assembly committee. At the end of the 1980s they were examining the ordinance for further delegations. However, the delegations referred to here were all undertaken by the provincial committee.
7. This can be compared to the Natal Provincial Administration's (cited hereafter as NPA) more laissez faire approach. In 1985 the NPA dispensed with the need for the Administrator's approval of all by-laws and

amendments thereto, except in those instances where representations or objections have been lodged and the by-law is not amended or modified to meet such representations and objections (NPA, 6/9/1985, Clause 54). According to Dr Donald Craythorne, senior CCC official and author of the authoritative textbook Municipal Administration, the Transvaal and OFS provincial administrations have also devolved more powers to local authorities than the CPA has done in the Cape (Interview, 1990).

8. The major cities consist of the Town Clerks, Treasurers, Executive Chairman and Mayor of the five large cities, namely Cape Town, Port Elizabeth, Johannesburg, Pretoria and Durban. They meet twice or three times a year on a 'need to' basis and make policy recommendations to the Management and Executive Committees of the cities, UME and the Coordinating Council.
9. The Valuation Courts are quasi-judicial bodies and deal with appeals in respect of appeals. In the Cape, a Valuation Court is appointed for every Divisional Council area. It consists of the magistrate for the area or a magistrate appointed by the Administrator, one member appointed by the Administrator and one member appointed by each local authority within the region (Craythorne, 1990 : 350).
10. It may be questioned why rates as a percentage of total revenue have in fact risen slightly in the 1980s if the

1979 valuation roll was so out of date. This is because the rate (levy) in the Rand has been adjusted way beyond the two percent statutory maximum in order to generate the needed revenue.

11. This issue has been a major source of complaint from local business organisations in the 1980s. A major reason for these high rates that the CCC has the majority of its poorer citizens, namely Coloureds, under its control; 38 000 of the CCC's 147 000 ratepayers - 26% - stay in low-income housing schemes (Cape Town Bulletin, April/May 1987 : 8). In the other major metropolitan areas, the majority of the poorer population consist of Blacks, who have separate self-financing BLAs (see Cameron, 1986B : 87-88). It must, however, be pointed out that these formal statistics do not take account the contribution of these poor citizens in their capacities as workers and consumers make to the coffers of the city.
12. This was the position that had existed before.
13. This section must not be considered an in-depth look at the intricacies of land use planning. Rather it concentrates on how this process of devolution of power has affected the CCC's autonomy in this regard.
14. According to CPA interviewees, Minister Heunis had in fact pressured the institution to transfer powers as soon as possible to the House of Assembly. This was to mollify right-wing supporters of the government, who

saw the 'own affairs' concept as a mechanism for protecting Whites' rights.

15. The CPA had in fact argued that local government must be considered a 'general affairs' aspect of community development. Accordingly, no local government powers should be transferred to the 'own affairs' ministries.
16. Durban, Pretoria and Johannesburg all have MSCs, but none of them was comparable to the CCC model. In Durban the City Council can establish or abolish the MSC without interference from the Administrator. In the Transvaal there is no legislative enactment providing for the establishment of the MSC. This means that the MSCs of Johannesburg and Pretoria are not controlled by provincial ordinances (CPA, de Klerk, 1975 : 13-17).
17. In the 1988 municipal elections the CP captured a number of smaller local authorities in the province.
18. The whole question of CPMA and UME influence on local government policy-making needs more systematic investigation along the lines of Rhodes (1986).

CHAPTER X

1. Mitchells Plain Management Committee, which was established in 1990, is now the biggest in the country.
2. Four further Management Committees in the CCC's area of jurisdiction were created in the late 1980s and early in 1990.

3. To dispel the possible impression that ADMC minutes were not adequately researched, it must be pointed out that much of the correspondence between this body and the CCC appears in the latter's minutes, and is accordingly cited as such.
4. The Department of Internal Affairs had overall responsibility for Coloured local government prior to the introduction of the House of Representatives.
5. This decision was not enforced in 1986 and Minister Curry used some unsubtle arm-twisting to persuade members not to resign, pointing out that funds for urban upgrading were dependent on the continuance of the Management Committee system (The Argus, 10/10/1986).
6. This issue did not in fact appear in ADMC minutes in 1987 and 1988.
7. Heideveld was one of the initial beneficiaries of the upgrading funding because of a burst water pipe in the area which caused extensive damage.
8. It has been suggested that the funds for Bonteheuwel had been channeled through JMCs, this township having been designated as one of the high-risk oilspots by the military (see 6.11 The NSMS). There is, however, no concrete proof to support this assertion. The Administrator of the Cape, Eugene Louw, did say that the emphasis in the Cape would be more on the use of formal government structures than JMCs (Weekly Mail, 16-22/10/1987).

9. Johannes had in fact made an unsuccessful attempt to create a separate Management Committee for Heideveld on the grounds that its interests were not adequately catered for by the ADMC (CPA, 1988D).
10. The form of powers do not fit neatly into any of these categories of decentralisation. Delegation is the nearest definition because (a) these powers are clearly not devolved, with decisions being made by appointed officials; and (b) they are not deconcentrated, being handled by local and not central officials.

CHAPTER XI

1. The Administrator did, at a rather late stage, ask the Demarcation Board to look at the desirability of including the Divisional Council of Swartland in the WCRSC. It is highly doubtful whether the CPA was really serious about including Swartland. The proposal was probably a sop to Swartland business interests who were concerned that, if all government transport subsidies were phased out and Swartland were excluded from the RSC region, the area would suffer financially. The CPA correctly anticipated that the Demarcation Board would find no community of interest between Swartland and the urban Cape heartland (Cameron, 1988A : 19-20).
2. Before Management Committees were created, the voting representation of these three areas was included in the CCC's total. When these committees were established,

the voting representation was deducted from the CCC's total and allocated to these respective committees.

3. This WCRSC 1990A reference, Briefing Meeting 16 July 1990 with Private Sector Organisations is a bulky document which unfortunately is unpaginated.
4. On the estimates a greater percentage of allocations was made to regional functions. The writer has, however, allocated these regional functions to the totals for the various (so-called) ethnic groups if an allocation was primarily for the use of a particular group. In respect of certain functions such as stormwater drainage, which passes through White and Coloured or Black areas, it is clearly to the benefit of more than one group. Such functions are accordingly still classified under the regional category.
5. Occasionally it is necessary to provide a sop to these municipalities, when they start grumbling that their White areas are not receiving WCRSC funds. Allocations to Bellville and Parow municipalities for their nature reserves must be seen in this context.
6. As far as can be ascertained, Kraaifontein is the only WCRSC local authority which is CP-controlled. Presumably its RSC representative is also CP-orientated.
7. These allocations were for both the 1987 and 1988 financial year. It has already been pointed out that the levies for 1987 were held over and only spent in 1988.

CHAPTER XII

1. The LP did, in fact, approve a draft copy of the Republic of South Africa Constitution Act of 1983 before it was enacted. However, the LP did make it quite clear that it disapproved of the neo-apartheid premises of the new constitution and that it was going into the system to break down apartheid.
2. There have, however, been accusations that NSMS has been resurrected in the form of the National Coordinating Mechanism which is based on the same pattern as the old system but has ostensibly more emphasis on welfare than security.
3. A report by the Institute of Social and Demographic Unit of the Human Sciences Research Council revealed that Whites at most form a majority in 10 of the 306 magisterial districts. The possibility exists that it could be even less. The research was based on the 1985 census figures (Die Burger, 24/9/1988).

ANNEXURE A

METHODOLOGY : QUALITATIVE RESEARCH METHODS

It is held that there is no privileged epistemological position in social science. No theory can lay an exclusive claim to knowledge. This proposition has influenced the particular methodological path followed in this thesis, namely qualitative research methods.

Qualitative researchers focus on processes, activities, relations and incidents which are not necessarily quantifiable. This form of research involves examining groups which do not necessarily have formal links but who relate to each other causally. Instead of trying to discover common properties and general patterns of the population as a whole, individuals are selected one by one as the research project proceeds and causal links develop. This type of research has been referred to as epidemiological research. Important in this regard are gatekeepers: "by gatekeepers I mean actors with control over key resources and avenues of opportunity" (Hammersley and Atkinson, 1983 : 38)

The gatekeepers are often the conduit through which access to strategic actors and settings is attained. However, because of their pivotal position they can also be an impediment. They can prevent access to certain fields and steer the researcher in a desired direction (Hammersley and Atkinson, 1983 : 63-68).

Qualitative interviewing, through its flexible framework, is in a much better position to establish substantive relations of connection instead of relying on formal relations of similarity which tend to be superficial. The locus of research can easily be altered if new, and possibly more fruitful, fields of inquiry open up. In fact, the research project is seldom finalised before empirical work commences. It is only during the course of research that the central issues and problems are identified. Often research problems differ from what was originally anticipated. As Glaser and Strauss (1968 : 112) remark:

Who is interviewed, when and how, will be decided as the research progresses according to one's assessment of one's current state of knowledge and one's judgment as of how it might best be developed further.

Of course there are limitations to qualitative research. Its results are not likely to be representative or open to generalisation. Its strength lies in exposing causal links in a limited number of cases, rather than discovering some of the general patterns of a population as a whole (Sayer, 1984 : 222). Further, quantitative researchers argue that qualitative interviewing is subjective. This is true, yet quantitative techniques have also been severely criticised for being subjective (Marsh, 1979). But this leads to another issue. If there is no methodological monopoly on truth and all knowledge is inherently subjective, is there anything worthwhile to be gained from research? The author concurs with Gouldner

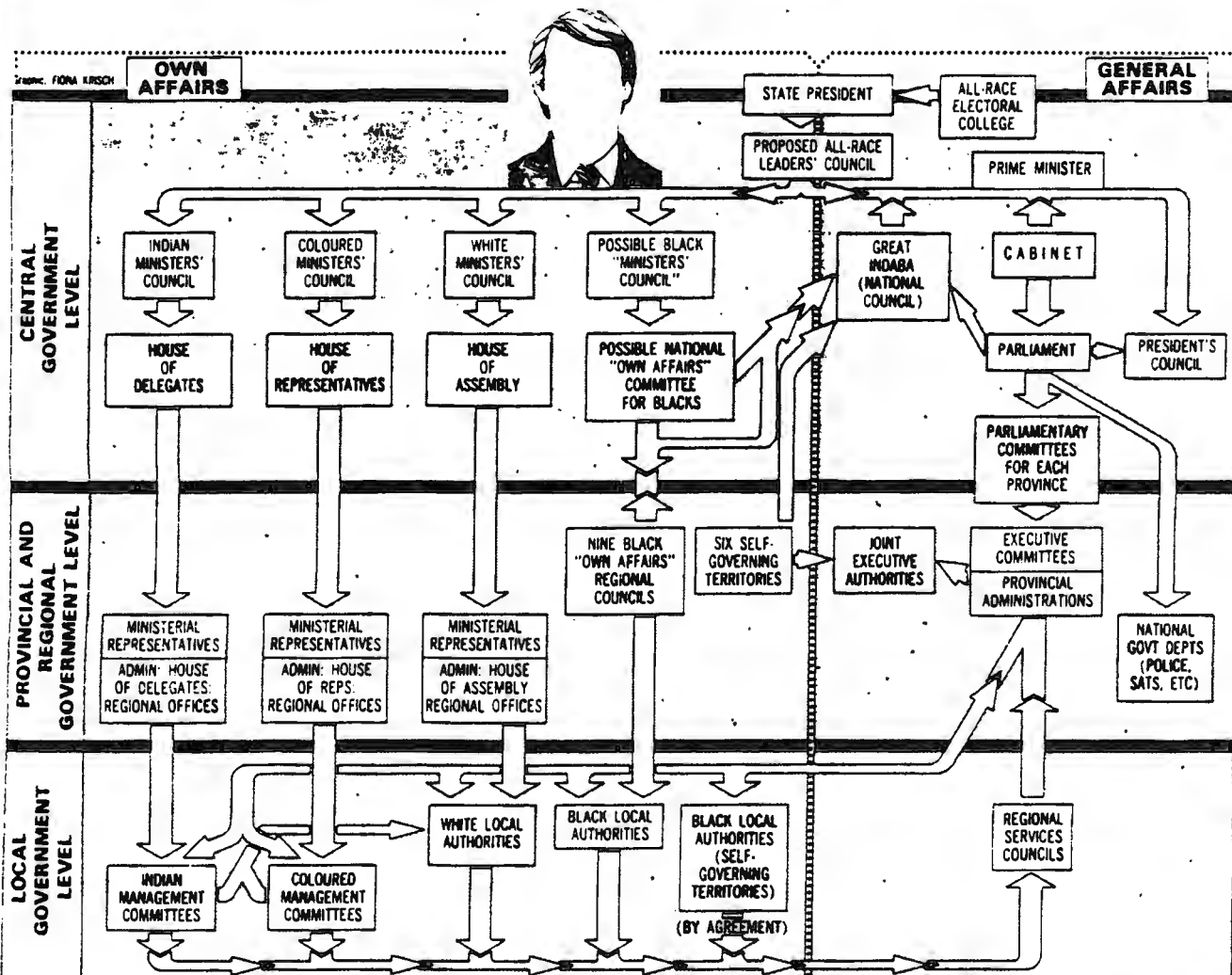
(1973 : 59), who argues that objectivity is guaranteed only by the moral character of the individual:

Objectivity consists in the capacity to know and to use - to seek out, or at least to accept it when it is otherwise provided - information inimical to our desires and values, and to overcome our own fear of such information.

viewpoint

The new shape of government

People often find it difficult to understand the complicated constitutional structure in terms of which South Africa is governed. The structure gained a further dimension with the new extensions proposed last month by the State President, Mr P W Botha. With this graphic and explanation, *Business Day* deputy editor Mr Neil Jacobsohn seeks to shed more light on the subject.



Heading the government is the STATE PRESIDENT, whose role will become clear.

The GENERAL AFFAIRS structure, on the right of the graphic, is headed by a PRIME MINISTER who would concern himself with the day-to-day running of the country. He would lead a CABINET which could include technocrats and other outsiders as well as politicians, and which may include Black members.

The proposed GREAT INDABA — the suggested name for the National Council — would operate alongside the Cabinet. In terms of the proposed legislation now before Parliament, its duties would be threefold: to negotiate a new constitution; to provide Black input to the government, for example by comment on draft legislation and by giving general advice; and work toward improving inter-race relations.

PARLIAMENT would continue to function in three houses, while the PRESIDENT'S COUNCIL, in which Blacks could be included, could become a part-time advisory body through which organisations, such as the Economic Advisory Council, would report. Many of its present functions could be assumed by the Great Indaba.

Spanning the gap between central and provincial government are the existing PARLIAMENTARY COMMITTEES for each province. These consist of MPs from the three Houses, who supervise and scrutinise the activities of the PROVINCIAL EXECUTIVE COMMITTEES appointed by the President. These control the greatly expanded provincial administrations. They already have Black members, and replace the previously elected provincial councils.

KwaNatal-type JOINT EXECUTIVE AUTHORI-

TIES could be established in the Transvaal and Orange Free State to link South Africa and the six self-governing territories (there are none in the Cape).

At the bottom of the general affairs network are the REGIONAL SERVICES COUNCILS, made up of nominated local councillors from Black, White, Indian and Coloured municipalities. RSCs are a horizontal general affairs extension of the local authorities.

Also into the general affairs camp fall the GOVERNMENT DEPARTMENTS operating on a national level.

The OWN AFFAIRS structure, on the left of the graphic, is much more complex.

The existing structure consists of the three Houses of Parliament, each led by an own af-

(Continued on back page)

(Continued from page 2)

fairs MINISTERS' COUNCIL. The decisions of each house are executed at ground level by separate MINISTERIAL REPRESENTATIVES in a series of separate administrative REGIONAL OFFICES.

LOCAL AUTHORITIES form the third level. At present, Coloured and Indian MANAGEMENT COMMITTEES report through White local authorities.

Black councils, where functioning, already have autonomy. Their counterparts within the self-governing territories can, by agreement, operate within the structure by joining RSCs and making use of provincial infrastructures.

The missing strand is Black representation above local authority or RSC level, and outside the self-governing territories. The own affairs solution is to establish nine REGIONAL COUNCILS, to be elected by Blacks in the nine economic development regions.

These could function as Black own affairs administrations in the same way as the regional administrative offices of the three Houses of Parliament. The government says Blacks must ask for these structures; it will not impose them.

The members of these committees may decide to elect a NATIONAL OWN AFFAIRS COMMITTEE for Blacks, which the government then sees operating alongside the three

Houses — although not as a "fourth chamber" but as the constituent body for the Great Indaba and as the means to report back down the line to urban Blacks.

Provision could also be made for this committee to appoint leaders from within its ranks: in effect, a BLACK MINISTERS' COUNCIL.

What ties it all together?

A new all-race policy-making body, a LEADERS' COUNCIL, is envisaged sitting astride the own and general affairs lines.

Ultimately, all the threads come together in the hands of the State President. He would be appointed by an ELECTORAL COLLEGE in which Blacks could serve.

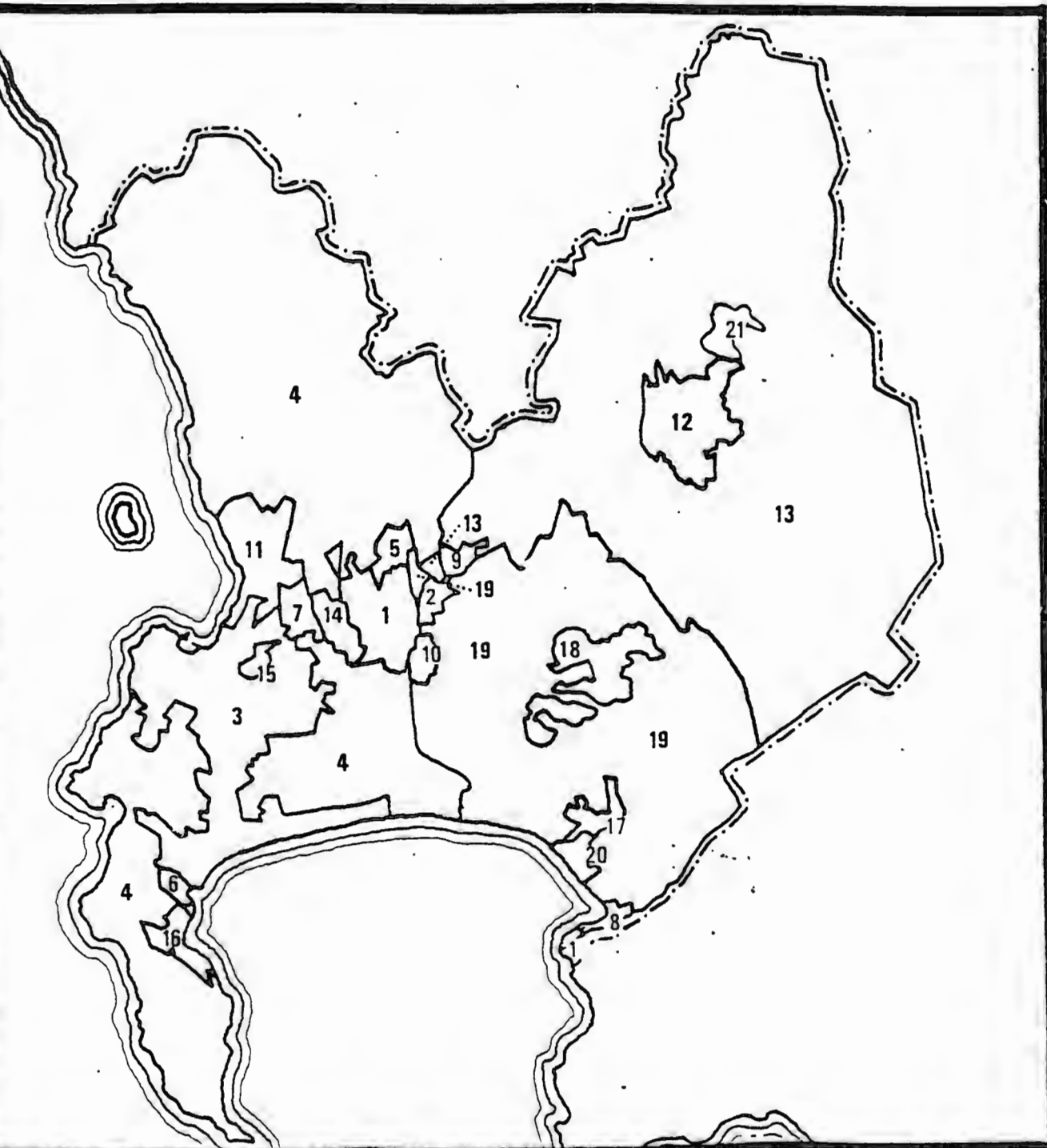
Business Day, May 4

fig.1

ADMINISTRATIVE BOUNDARIES

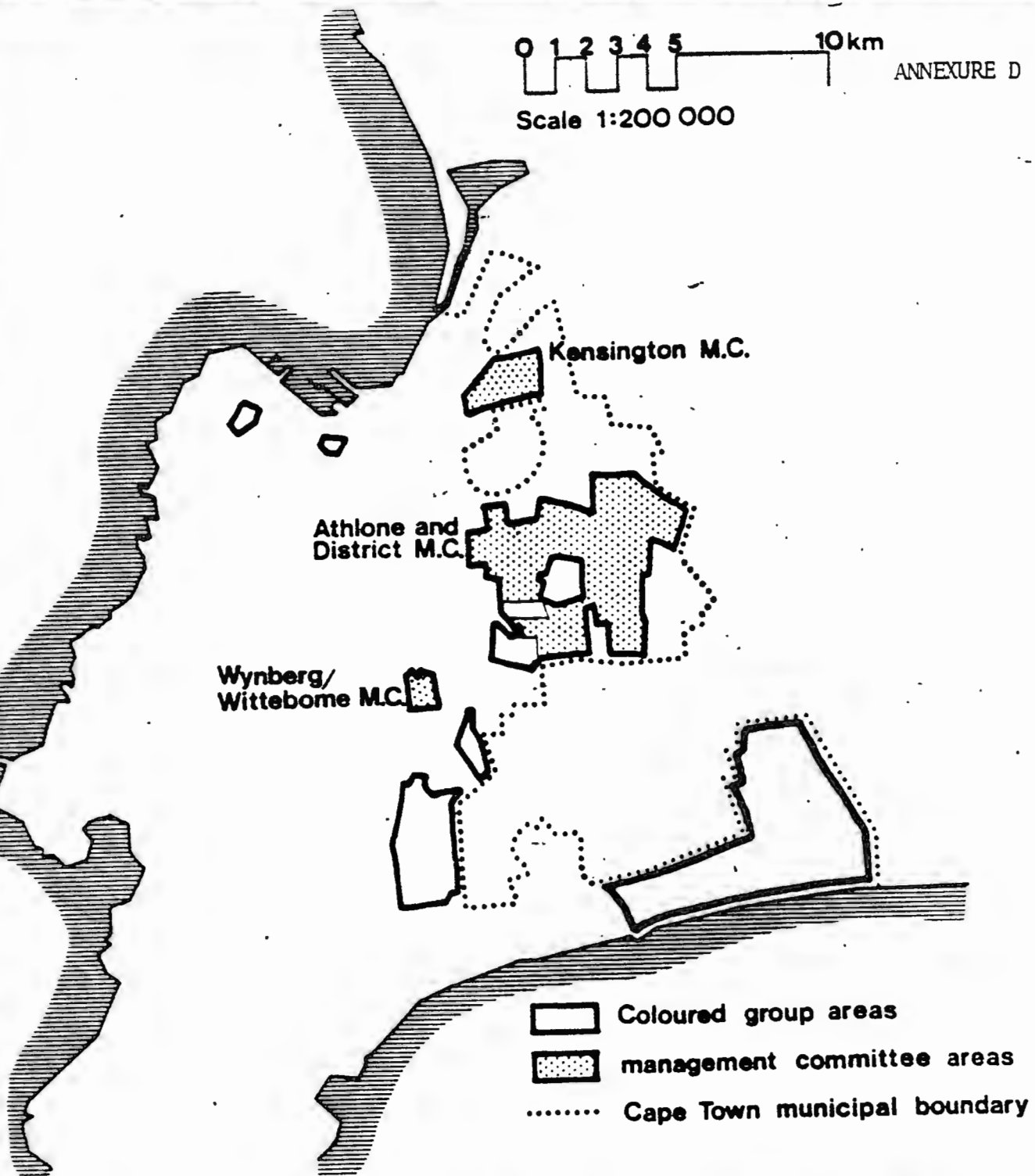
- 1 BELLVILLE
- 2 BRACKENFELL
- 3 CAPE TOWN C.C.
- 4 CAPE DC.
- 5 DURBANVILLE
- 6 FISH HOEK
- 7 GOODWOOD
- 8 GORDONS BAY
- 9 KRAAIFONTEIN
- 10 KUILSRIVER
- 11 MILNERTON
- 12 PAARL
- 13 PAARL D.C.
- 14 PAROW
- 15 PINELANDS
- 16 SIMONSTOWN
- 17 SOMERSET WEST
- 18 STELLENBOSCH
- 19 STELLENBOSCH D.C.
- 20 STRAND
- 21 WELLINGTON

---CMPC AREA

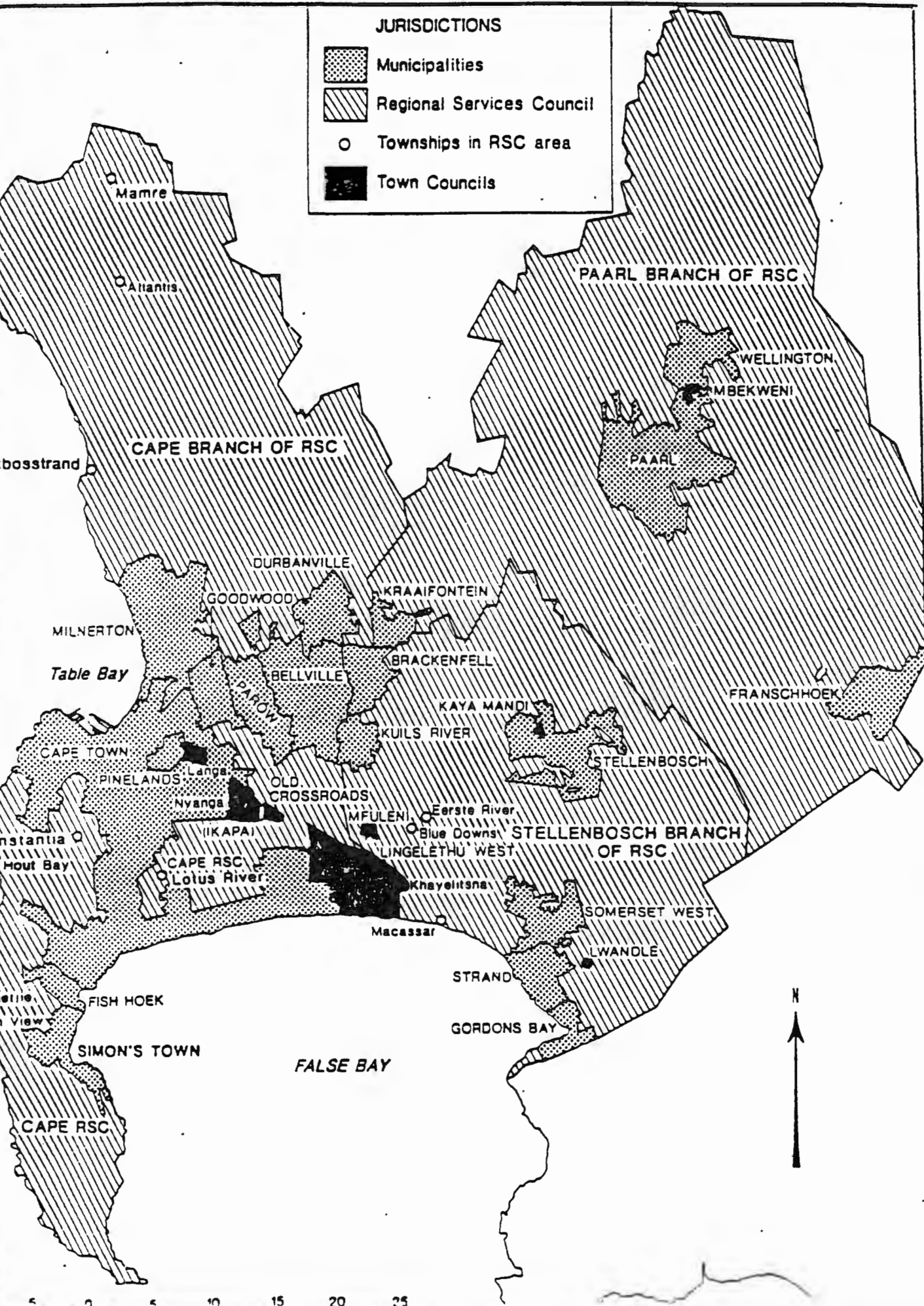


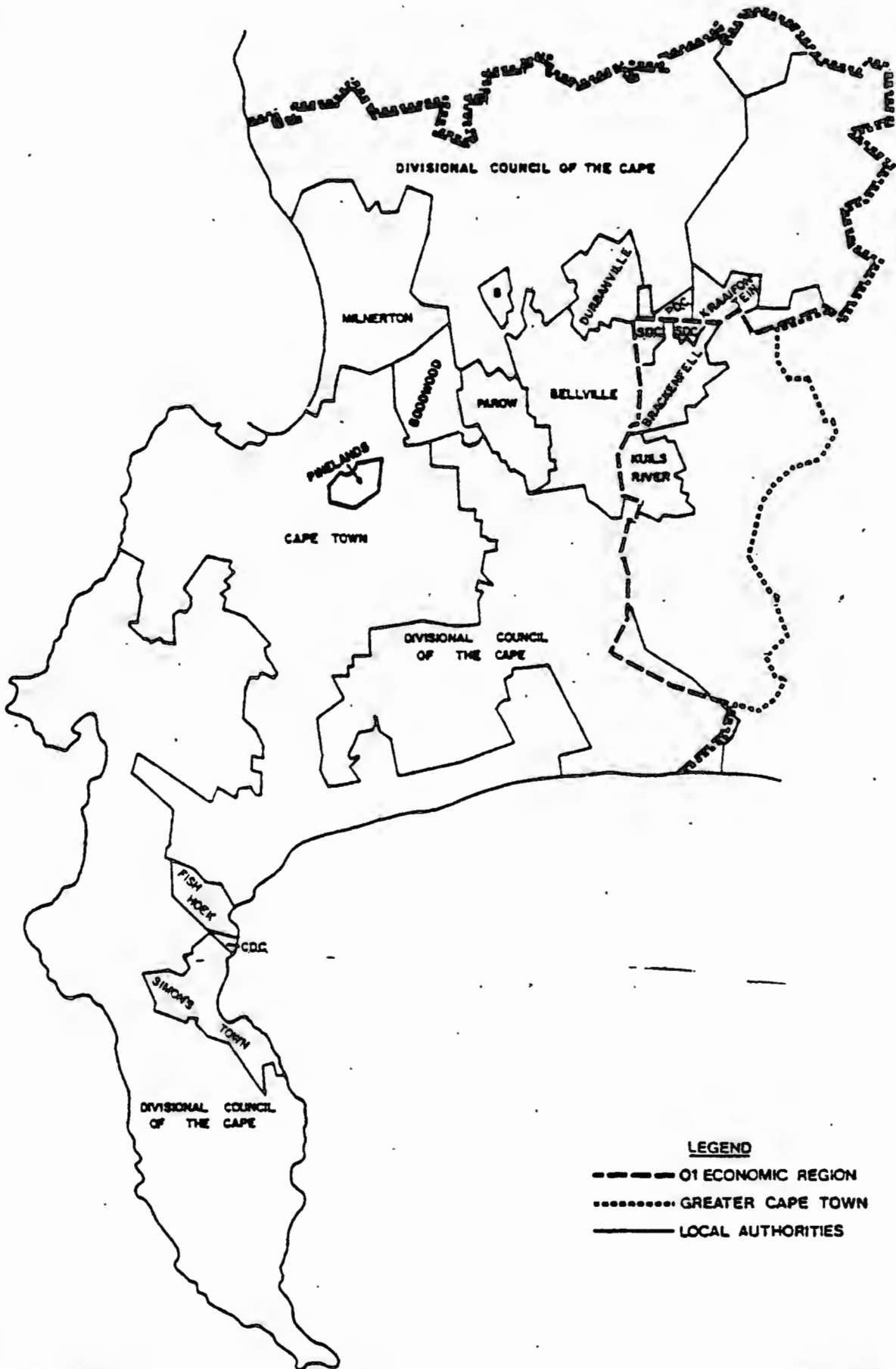


Scale 1:200 000



MANAGEMENT COMMITTEE AREAS AND COLOURED GROUP AREAS IN THE MUNICIPAL AREA OF CAPE TOWN





LEGEND

- Q1 ECONOMIC REGION
- GREATER CAPE TOWN
- LOCAL AUTHORITIES

J.G. BRAND
CITY ENGINEER

GREATER CAPE TOWN

N.W. RILEY
DIRECTOR
TECHNICAL MANAGEMENT SERVICES

LOCAL AUTHORITIES



MAP 2

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New Nation
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Rapport
South
South African Digest
Southern Suburbs Tatler
Sowetan
Sunday Star
The Argus
Weekly Mail

INTERVIEWS

Approximately 50 qualitative interviews were carried out. The interviewees included prominent local government academics at the University of Birmingham and central,

provincial and local actors involved with local government
in South Africa.

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