

BACK TO BASICS: TAKING LOCAL GOVERNMENT IN HAND

An interview with Pravin Gordhan

Gordhan is the minister of cooperative governance and traditional affairs (COGTA)

The national department is busy on several fronts to address complex issues in local government performance.

HOW BAD IS IT?

Ben Turok: Local government gets very bad press these days about billing problems, service protests and corruption.

How bad is the situation really?

Pravin Gordhan: When we came into this administration in May last year, one of the first things we did was an analysis of all 278 municipalities. It showed, broadly speaking, that about a third of the municipalities do well. About a third have risks – it may be a billing system, some governance defaults or an audit opinion problem – such that, if these were attended to, they could graduate to doing well. And a third of the municipalities – some big, some small – do poorly.

BT: What criteria did you use to evaluate their performance?

PG: First, we looked at political stability. You could have instances where a mayor and a speaker or a chief whip and speaker do not get along. These relationships can be quite crucial to maintaining good governance.

The second key is good governance. Are they meeting as a council? Do they make decisions in line with the law? Do substructures like the municipal public accounts committee exist? In some instances, the ruling clique within that municipality will say, “we do not want to



Pravin Gordhan, Minister of Cooperative Governance and Traditional Affairs

be accountable” and scrap the committee. In other instances, things work well.

The third area was the question of financial management, some of which falls into the Treasury’s terrain. What kind of audit opinions do they get, why do they get disclaimers, do they keep basic records, does the municipality have the ability to produce their own financials, do they comply with all the supply chain rules? That’s a big area in terms of integrity and in terms of the law, and it’s the biggest area of corruption apart from human resources.

The fourth element is service delivery. Are you doing the basic things you are required to do? Are your streets clean? Do robots work? Are potholes filled quickly? Do residents have a regular

supply of water of the right quality and, if there is a breakdown, do you attend to it quickly? Those are the issues that citizens complain about, and we put the issue of “responsiveness to the community” into the department’s Back to Basics campaign. Do you have a petition committee structure? Do your work committees work and do you have feedback meetings? Do you consult properly on your budget and your IDP [Integrated Development Plan]? Community involvement and participation is very mixed across the country. Some parts work well. Many don’t.

Then there is the area of institutional integrity. Are you hiring the right people? Do you have the right competencies in the right jobs?

The approximation we had in September last year is still pretty valid. In some places, there is just pilfering of public monies and mismanagement of tender processes. In other places, it works reasonably well, with the right kind of integrity.

We have collected over a hundred forensic internal order reports from various municipalities. We have evaluated those, and we get information on whether those reports were formally tabled in council meetings, and whether councils acted upon them, if the recommendations against specific individuals were followed. In some places, internal auditors play very useful role, but again: is action taken? We regularly receive reports from trade unions, business people or individuals. >>



Our approach is that the MEC [member of the executive council] in the province must investigate or launch some kind of forensic process.

BT: You ask for that?

PG: Yes, there is a provision in the Municipal Finance and Management Act which requires MECs to do that. The constitutional and legislative structure leans a lot towards provinces; they don't give the national level many independent powers to intervene. Under the Back to Basics campaign, we are now using this analysis to create joint committees with provinces, to look at the weakest of the municipalities, the worst of the issues we are confronted with, and supply assistance. They may require a support package to be put in place, like a finance person or an engineer to work there for six months to help them get it right.

The right political leadership plays a big part. If you have well-meaning leaders and the right balance between the political structure and the municipal structure, and the right understanding of the prerogatives of each, then it works very well – and the precise opposite if we get it wrong. Within the ANC itself, there have been



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lots of discussions about how to get the balance right. You don't want day-to-day political interference in the way municipalities function, but you do want the modernisation and professionalisation which will enable them to do the right things.

To sum it up, the picture is not as bad as what the media generally portray. There was also an analysis about a year ago of the so-called “service delivery protests”. In many instances, they are actually about internal competition within political structures, or if there is an election coming up, you will see a heightened level of mobilisation, given the high levels of unemployment particularly among young people. In other instances, there are very

genuine grievances that municipalities could have dealt with if they had the right approach to their citizens. When they don't, they turn people up the wrong way.

BT: If it's political, what can you do about it?

PG: One of the first places we went was Mogalakwena municipality in Limpopo, previously known as Potgietersrus. It took us a few months, but eventually we brought political stability. It took the province a few more months to change the mayor and six months to stabilise the place. Today it is stable. You allow all sorts of political opportunism if you don't get it right. The ANC gave the lead in Nelson Mandela Bay, where mayors and mayoral committees have been changed. The new team is now trying to get the right stuff in the right place, to act upon various forensic reports, and do more forensic reports where necessary.

Over a period of time, the national department became largely a policy- and rules-making regulatory kind of department. It now needs to add a hands-on approach and we are trying to strengthen the ability to monitor municipalities on a day-to-day basis. Part of our mission is to strengthen provincial COGTA departments so that they also have the right kind of capabilities, and some premiers have asked for our help to diagnose their strengths and weaknesses. We are moving in the right direction, although the task is still a massive one.

RENEWED COMMITMENT

BT: The 1998 White Paper that set out the design of local government had all sorts of ambitions about developmental local government and active citizen participation. Was it all too ambitious?

PG: It was *idealistic*. But I think that is what constitutions and white papers are about: to set an aspiration.

What we've learned since then, firstly, is that aspirations are not met overnight. Secondly, aspirations are buffered by all kinds of developments

and forces, so you need people and processes and a culture at all levels in order to sustain a progressive direction. Thirdly, the lure of power – of money and patronage and the corrupting influence of greed and materialism – is a big factor in diverting even so-called “good people” once they get into office.

The aspirations are correct. They act as a beacon to where we need to go and they are implicit and explicit in what municipalities have done – in a very short period, by the way. We’ve only had 15 years of democratic local government as of the fifth of December this year. Remember that every claim we make about progress in South Africa happens within the municipality. When you say more people have access to water, sanitation, waste removal, electrification: all of that has happened on the ground, and much of the credit, although not all of it, can go to the fact that we do have structures that are working in the right way.

We now need to renew that commitment of developmental local government. Renew the commitment to get to people more directly involved, change the culture of sitting back and expecting the government to deliver everything. There are some interesting community initiatives by NGOs, community-based organisations, burial societies and stokvels, all of which cohere communities by common interest. We don’t often take account of that formally when we look at local government. I think you have to go back every few years to remind yourself of those aspirations and keep reinforcing them in order to sustain that culture.

BT: As the minister, you advocate bottom-up participatory development?

PG: Yes, and that is what the law requires – but it takes the local political agents and bureaucrats to make it work. There are about 300 000 people employed in municipalities. Can we say that we’ve invested enough into turning them into agents of development, into

progressive forces who do not look at their own pockets but keep looking at what the community needs, and react appropriately when those needs are identified? It does happen, but there is a lot of work to do in that area.



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URBAN BREW

BT: Do the metropolises work? Was too much expected of them when they were set up?

PG: Metropolises are, in a sense, self-catering entities. By definition, there is a high concentration of economic activity, a high density of population, and interconnections in both the social and the economic dynamics. Cities like Johannesburg or Durban or Cape Town presented themselves as metropolises, and recognising them as such in the Constitution and the law was recognising that reality.

But the rate of urbanisation is something we did not fully anticipate. That is the first thing. The second factor is metropolises as magnets, as sources of attraction in terms of economic opportunity compared to what is available elsewhere in the country. Thirdly, the capacity of metros to plan ahead as opposed to planning reactively needs to be evaluated a lot more carefully. Fourthly, the work done – not just in metros but in other cities as well – in delivering housing and identifying where to locate it to promote spatial integration also needs a careful review.

I think the ambitions are correct. To some extent they have been met and to some extent we probably need to rejig what is happening currently.

BT: The apartheid city seems to replicate itself, even in the metros.

PG: We need to understand the dynamics of spatial integration a lot better. The Integrated Urban Development Framework (IUDF) will now create a policy framework to ensure that there is integration, better access, and growth and development opportunities operating within the cities. We have a forum of metro mayors and municipal managers where we have these sorts of dialogues at a national level. Cape Town hasn’t been coming. But we will intensify that alignment to ensure the IUDF becomes more pervasive in terms of what people do on the ground.

There are various pieces of planning legislation in South Africa, like the SPLUMA [Spatial Planning and Land Use Management Act], that we need to integrate and begin to give some real substance to. It’s a question of getting the right capabilities, both in our own department and elsewhere, to monitor those developments and see what actually happens. The other area is budgets and their effects. Technically, this falls within the Treasury’s domain, but all of us should be looking more carefully, because they define the priorities that municipalities set for themselves and for the processes of development.

BT: In the municipal funding model, they raise their own rates. In what proportion are they funded nationally? Is the model working?

PG: After paying interest on debt, 9 percent of the national fiscus goes to the municipal sphere. That’s about R90 billion as an equitable share. Much of that is meant for sustaining indigent families, but in addition they get conditional grants for housing, municipal infrastructure, municipal support and so on. The Treasury and >>

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COGTA are currently working on how these grants can be rationalised and packaged better, but there is also recognition of a genuine lack of a revenue base in some instances, which will have to be attended to.

There are challenges in terms of development on communally owned land that is controlled or managed by traditional leaders and which is not rateable at this point in time. Another is municipalities' reliance on a surcharge added to electricity and water tariffs, which is part of the legacy we inherited. There is a growing dynamic that we should review this total picture and try to evolve to the next generation of a municipal finance system, recognising the kind of imperatives that municipalities actually face.

In any event, municipalities need a revenue-collection capability. That's essential. The question is whether, when you have municipalities that are less able to attract the necessary kind of expertise, we can create a shared service model at a district level. A small municipality might not be able to get a high-calibre accountant, but maybe a district could. Those are all ideas that we're thinking through right now in order to overcome some of the weaknesses in the system.

We need to create a culture among municipal leaders, both political and administrative, that understands



economic potential, understands how they can attract investment into the area and what infrastructure and other support they can give to newly established businesses. It could be co-operatives, NGO-run businesses, formal commercial enterprises, informal traders or big firms coming to establish a factory that will create 300 jobs. If you look after them in terms of water, electricity and so on, they'll do well. You create your own rates base by constantly looking for opportunities to grow the economic base.

We often speak about economic development in macro terms, but we have to think about what happens on the ground in micro terms as well. For example, how do bylaws either facilitate or limit business creation and operation? A recent World Bank study showed how different municipalities approve plans at different paces. There are some municipalities – and big ones, too – where planning departments seems to have a problem in terms of “brown envelopes”. Plans won't be passed until a brown envelope is actually left on the table. Now, while you are engaging in that self-satisfying level of enterprise, it is costly in terms of investment in that municipality, with implications for jobs, for business creation and for the rates base. You've got to take this more holistic view, and some municipalities are doing it well.

BT: It sounds like a new Reconstruction and Development Programme (RDP) at the city level.

PG: As far as I'm concerned, we've got all the plans and thinking in the world. What you need now is the capability to make it a reality, and also the ability to be strategically and tactically agile. If your conditions demand x, then do it in the x way, and if your conditions demand y, then do it in y way. One of the lessons, clearly, is that there is no one-size-fits-all formula. There are no two metros in South Africa that are the same. Go to Buffalo City: it has rural villages within the metro area. What you want now are political leaders who understand these differences and understand the potential, who don't just become formal politicians but become development politicians who understand that potential and can build the kind of social contracts that are required to get great cities going.

BT: We had that ideology very strongly in 1994, in the RDP days.

PG: It can be revisited. The policies are there. Whether it's “Ready to Govern”, the RDP, the White Paper on Local Government, the National Development Plan or any other plan you want. We are replete with plans! What we are not replete with is the capability, in all parts of South Africa, to understand the environment and make something of it.

BT: What is the state of our three-tier (local, provincial and national) system of government now? I think you have spoken of an imbalance between them.

PG: The constitutional framework allows for exclusive powers for national, exclusive powers for provinces and exclusive powers for municipalities as well. That framework is there. In the early period after 1994, we thought national government's job was to produce policy and provinces would implement. We're learning now that national departments also have the responsibility to create what Section 44 of the Constitution calls "national norms and standards", whether it's in education, healthcare, spatial integration, water delivery or whatever the case might be. That's beginning to evolve.

Secondly, we are "a unitary state with federal characteristics". Sometimes the federal part gets overemphasised...

BT: Is that because of power plays?

PG: It's in the nature of institutional development. An institution develops its own dynamics that you can't anticipate when you formulate it. As you know, much of what we have is an outcome of a negotiated process as well, although there are enough checks and balances in the Constitution.

So, there is room for creating greater coherence in the state as a whole. Secondly, there's room to improve the management of the implementation of national policies so that it is done in a common way across the country. Thirdly, there's need to strengthen delivery and implementation systems and culture to ensure that policy decisions are actually carried out on the ground. Fourthly, we now have a department of performance monitoring and evaluation in the Presidency that is beginning to strengthen its capabilities and will give us interesting feedback on what's working and what's not working. Ultimately, you require the political decisiveness to make tough calls on what works and how to

strengthen it, and what doesn't work and how to change it.

Municipalities themselves, while recognising the kind of the distinctive role they are given in the Constitution, still have another ten or fifteen years, or more, of development to undergo. On the one hand, we need to give municipal leaders enough space to exercise their creativity, give vent to their vision, and do things in an experimental way so we can compare what works in one place and another. On the other hand, the Constitution talks a lot about supporting municipalities, but support has to come with careful monitoring. This hands-off approach must change, I believe. Not to interfere in the day-to-day work of the municipality, but if a municipality is going off the mark we must intervene, whether it's administratively, politically or technically.



Are you giving people enough information to hold you accountable?

As we move towards the municipal elections next year, more careful consideration needs to be given to how key leadership positions in municipalities are filled: the calibre of people, their experience, their local popularity, and their leadership qualities as well, their ability to play that kind of developmental leadership role within the local context. If we get that done even in half of the main municipalities in South Africa, we would have taken a big step forward.

The Back to Basics campaign is attracting a lot of currency within government, and after nine months of experience, we need to move into the next phase. We will continue to strengthen municipal performance but

also educate South Africans about what to expect from municipalities and how to monitor their local representatives and hold them accountable.

BT: Was it idealistic to think that the ward committees would support broad citizen participation?

PG: It clearly works in some places where you have good management of the ward committee. In other cases, it's become a formality or it has collapsed or been abused. But ebbs and flows are in the nature of democracy. That's why we still require direct participation in public meetings and public fora at a district level to get people engaged. The ward committee still has a role, but the general population usually doesn't have an intense day-to-day engagement.

Today, social media is an important communication tool that we need to utilise better. You've got to create that interest and use municipal and other resources to keep people informed and give them information so that they can hold you accountable. That's the key thing about democracy. Are you giving people enough information to hold you accountable? Sometimes the information is there. We have a very transparent budget process. But who uses that information and how is it actually used? Those are some of the challenges on our side.

I'm optimistic that we'll do our bit in the next few years to place municipalities on a slightly different footing, but at the same time we must acknowledge that there are tough battles to be fought, in terms of the integrity of people, in terms of the ethics of both administrators and politicians, in terms of public cynicism or doubts about whether we are working in the public interest or for ourselves. It's up to us to change the public's perception and experience of us by the way we act. If we follow what we're saying in the Back to Basics campaign, if we work at it, we can win public confidence again. **NA**