SUSTAINABLE LIVELIHOODS IN SOUTHERN AFRICA:

INSTITUTIONS, GOVERNANCE AND POLICY PROCESSES

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LOCAL GOVERNMENT IN SOUTH AFRICA: POTENTIAL DISASTER DESPITE GENUINE PROMISE

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1 INTRODUCTION

The ruling elite in the new South Africa is seeking to develop a flourishing system of local government. At this writing (in early 2000), transitional local authorities -- which most people see as unsatisfactory, but an improvement on the apartheid past -- are in place. A long, detailed White Paper[1] -- which demonstrates an unprecedented commitment to strong local government[2] -- has established the broad outlines for a fully-fledged experiment with democratic decentralization. The new system is due to come into being after elections to much changed local authorities on 1 November 2000.

The system is intended to achieve two admirable purposes. It is meant to address the ghastly inequalities that have been inherited from the apartheid era, and to tackle South Africa's 'social deficit' (the severe deprivation experienced by most of the population). And it is meant to deepen democracy by giving citizens a voice in decisions at and near the local level that affect their lives.

Democratic decentralization is thus intended both to equalize and to democratize. It is no easy thing to accomplish both of these things simultaneously. There are plenty of ways in which such a twin-track exercise can go wrong -- two of which are worth stressing. Both entail potential contradictions between the two great goals of the experiment.

First, the democratization of local arenas could impede efforts to provide better services and greater social justice for disadvantaged groups. This might happen either because newly empowered local authorities fail to operate effectively (as a result of inexperience, administrative incapacity, corruption or whatever), or because elites capture them and thwart efforts at redistribution.

Second, the pursuit of redistribution and effective service delivery could undermine the development of strong, elected local authorities. This might happen because those at higher levels in the political system -- who doubt the ability and/or the inclination of local politicians to achieve these things -- devolve too few powers and resources onto local bodies and thus deny them the capacity to accomplish these or, indeed, *any* goals.

It is evident from the White Paper that the ruling elite in South Africa are mainly worried about the first of these two possibilities. The present study argues that the second problem is the main concern and that if it is not addressed -- seriously and soon -- disaster looms.

In this connection, it is worth stressing that the White Paper is essentially a statement of intent which leaves detailed operationalization to subsequent legislation which has only partly emerged. So it is not too late to address the concerns set out below. Since most of these concerns are at times at least

half-recognized in the White Paper, it is not unimaginable that they will be addressed. But this will be require a major rethinking of the future of local government.

The study which follows contains several very severe criticisms of the proposals now being considered. This writer takes no pleasure in saying these things. He identifies with the new South Africa and wishes it every success. The criticisms are set out in that spirit.

2 MAKING DEMOCRATIC DECENTRALIZATION WORK WELL - THREE ESSENTIALS

Studies of democratic decentralization in a large number of other countries indicates that three things are absolutely essential if democratic local government is to work well.

a) Substantial resources (especially financial resources) must be available to local authorities -- and this almost always entails the devolution of abundant funds onto such authorities from higher levels of government;

b) substantial powers must be devolved onto local authorities; and

c) two types of reliable accountability mechanisms must exist -- (1) mechanisms which ensure that bureaucrats are accountable to elected representatives, and (2) mechanisms which ensure that elected representatives are accountable to voters.

Other things are helpful to democratic decentralization -- a free press, a well-established multi-party system, a lively civil society that is free of severe conflicts, a long experience of democracy which has accustomed bureaucrats to working with empowered elected representatives, high literacy, prior land reform, etc. But none of these is essential. Democratic decentralization can work reasonably well in their absence -- *provided that ALL THREE things listed above are present.* If any one of them is absent, democratic decentralization is very likely to fail.[3]

The evidence from South Africa's preparations for a new system of local government raises serious doubts about *all three* of these essentials. Let us consider each in turn.

2.1 The inadequate funding of elected local authorities:

Since 1994, substantial public funds have been spent within local arenas in South Africa to provide basic services which were wholly or mostly unavailable under the apartheid regime. Much has been achieved.[4] But nearly all of these funds have been controlled by civil servants in the line ministries of national and provincial governments.

When we ask how much actual decentralization can now be expected in South Africa, we need to learn how much of this money will be turned over to elected local authorities. The answer, judging by the contents of the White Paper, is 'very little'. That might not be a serious problem if (to anticipate the issues in section B just below) elected local representatives were able to exert significant influence over line ministry bureaucrats who control massive funds, as happens in some other decentralized systems. But again it appears that their influence will be exceedingly limited.

Matters are made much worse by the current tendency of higher-level governments to off-load "unfunded mandates" (expensive tasks for which adequate funds are not devolved) onto local government.

> ...name the department and there will be some or other function on its way down. Two forces are driving this decentralization: a fiscal squeeze at national and provincial level, leading to shedding of functions (and, hence, what we call 'unfunded mandates' being dropped on local government); and a realization that many functions can be provided more efficiently and effectively at local level.

But these functions can only be provided if adequate funds to deliver them are available to local authorities. And "the fiscal squeeze is being felt as harshly at local level..." as at higher levels.

The suggestion that local authorities "share the burden of service provision with other actors, most importantly the private sector"[5] offers a wholly inadequate answer to the problem. In many, perhaps most cases, local bodies have "weak income bases with little or no industry or business to provide a tax base". There is a "dawning reality that support from provincial and national government is no longer sufficient" to support such bodies, but "disturbingly, there are currently no moves at the national level" to address this problem.[6] The White Paper fails to recognize that local government is already "a sector in fundamental crisis".[7]

So unless the overall approach changes soon, local authorities will continue to face hair-raising shortages of funds. The implications of the government's tight fiscal policies for local authorities "are not dealt with at all" in the White Paper. Even before numerous "unfunded mandates" were devolved,

> ...two thirds of municipalities are financially highly stressed and one-third are financially not viable, with no hope of generating income to meet their service commitments.[8]

At present and over the medium term, between (roughly speaking) 75% and 90% of the funds available to local authorities is and will need to be raised locally -- from fees, taxes, and (in a few cases) some investments. The variation in percentages is explained by two things. First, higher-level (mainly national) governments provide some extra funds to sorely deprived areas, especially in rural parts. Second, "horizontal equalization" takes place -- that is, the transfer of some funds from prosperous, mainly urban areas to underdeveloped, mainly peri-urban and rural areas. So (again roughly speaking)

many urban authorities need to raise upwards of 90% of their resources locally, while in many peri-urban and rural areas, the figure is more like 75%.[9]

The White Paper indicates that some further transfers of funds from the national level to deprived areas will occur under the new system. It does not specify how large these will be, but one authority on decentralization who works closely with the government insists that tight fiscal constraints will prevent this from developing into a system of "vertical equalization" -- that is, the *substantial* devolution of funds from higher to local levels. He believes that this will leave local authorities so starved of funds that national leaders will eventually have to go over to "vertical equalization".[10]

For the foreseeable future, however, local councils will face a constant refrain from higher levels of government: "You must do more with less". Indeed, there are indications in the government's medium-term expenditure framework that downward transfers of funds to local authorities will *decrease*. For example, they will apparently (details have yet to be finalized) soon have to find new resources to fund health care.[11]

Abundant evidence from other countries in Africa, Asia and Latin America vividly demonstrates that this is a recipe for disaster. To introduce new systems of democratized local government amid severe fiscal constraints and structural adjustment programmes of the kind that now operate in South Africa is to run an extreme risk that the new local authorities will founder -- unless they are exempted from such stringencies, which is not intended in this case.

Here as in many other countries, a critical problem is the existence of widespread popular scepticism about the capacity of any government institution to do much to address basic needs. This has been eroded somewhat in South Africa since the ANC took power in 1994, but only somewhat. Much remains to be done to inspire confidence that government institutions -- including local authorities -- can deliver. Only when this scepticism is overcome can we expect citizens to become more willing to pay taxes and user charges, so that local government can become more self-sustaining.

The evidence from elsewhere demonstrates that effective local authorities can indeed do much to break down such scepticism -- *provided that* they have funds with which to complete development projects that local residents desire. That evidence also indicates that to achieve this, local authorities need -- *especially* in the *initial* phase after their creation -- an injection of substantial new funds from higher levels of government.[12]

It is clear from the White Paper that no such injection should be expected in South Africa. Indeed, local authorities will probably be burdened still further with tasks for which funds are not provided. It is

extremely likely that far from undermining popular scepticism, this will reinforce it.   Elected local authorities will be crippled at birth.

2.2 The inadequate empowerment of elected local authorities:

Throughout the 1980s and 1990s, as structural adjustment and state-shrinking have occurred in both industrialized and less developed countries, two ideas have commonly been yoked together. We have already heard the first: "we must do more with less" -- that is, with less public money. The second often follows swiftly: "we *can* do more with less" -- and we can accomplish this by adopting new forms of *public administration*. Technocrats schooled in these techniques will prevent budgetary stringencies from damaging public services -- indeed, their administrative devices are often seen as so ingenious that they may even improve services.

This approach looms large in South Africa's White Paper on local government. The document bristles with the latest, most advanced prescriptions crafted by administrative technocrats, drawn from "the worldwide technological revolution in municipal service provision".[13]

The result is that local authorities are laden with a huge number of highly complex tasks. In this writer's view, there are so many of these tasks, and they are so complicated, that the White Paper is in effect saying that there is little hope of their implementation unless technocrats (or at least bureaucrats) retain very substantial powers -- so many powers that elected representatives will (on evidence from elsewhere) have too little influence to enable democratic local government to work well.

The White Paper states that local authorities should integrate and coordinate programmes which originate from national and provincial governments. They will be charged with improving health planning, and making cost savings while improving health service delivery -- doing more with less. They will become transport authorities, responsible for developing transport policies and plans based on national and provincial guidelines; implementing plans, including the operation, maintenance and management of transport programmes and systems; administering land transport authority funds; developing, implementing and monitoring environmental strategies with respect to land transport; and promoting security in public transport. And they are expected to do all of this amid the gradual *phasing out* of transport subsidies -- which reinforces the worries set out in section A above.

They are to boost local economies and job creation by enhancing local competitiveness and promoting small scale enterprise, in part via local service centres and involvement in the planning and implementation of spatial development initiatives. This is likely to entail, for example, the provision of labour market information services, support for entrepreneurial efforts of non-governmental organisations, community development corporations, training organisations, small business coalitions, etc. Local authorities will also have responsibilities for promoting and developing arts and culture in their

areas. They will be involved in strategising and implementing social crime prevention measures, environmental design to further safety and security, and the promotion of public values and education as part of a national strategy of the Department of Safety and Security. They will establish local police forces and in so doing, replace the present system of community policing forums with local public safety committees.

They will assist the Department of Land Affairs by ensuring that sectoral plans are coordinated and streamlined into a single generic planning process, and that land reform and restitution processes are incorporated into local integrated development plans. They may have to take charge of the procurement reform programme of the Public Works Department. They will be legally required to ensure that all inhabitants in their areas have access to adequate housing by, among other things, acting as developers or administrators of a national programme for contracting developers. In tackling these tasks they "may" receive allocations from provincial housing development funds (but see the comment below on the intense suspicion of local authorities at the provincial level).

They will also be legally obliged to draw up water services management and water resources development plans. They will be expected to develop environmental impact assessments and to develop tourism, although here again, the decision on whether they should then be empowered to implement policies in these areas rests at the provincial level where suspicions of local bodies are greatest. They are to develop local infrastructure development plans -- although the White Paper adds, worryingly, that this "may impose unforeseen future costs" on local authorities.[14]

This writer has analysed democratic decentralization in dozens of countries in Africa, Asia, Latin America and Eastern Europe, and he has never seen such a wildly unrealistic set of tasks imposed upon local authorities.

The top-down bias in the proposed structures is apparent from many commentaries on the White Paper. One, for example, notes that new legislation already in place provides for

> the implementation of a national performance management system, with *nationally defined* key performance indicators, into which all local authorities will *need to* fit (emphasis added).

Elected local bodies will need to master "performance measurement, monitoring and evaluation, standards, targets, indicators and benchmarks." They will need to tackle "organisational culture, systems, structures and people", and to "manage customer expectations".[15]

Anxieties about the top-down, commandist bias in all of this grow when it becomes clear that the White Paper blithely passes over the reluctance, common to all countries, of higher-level leaders to devolve adequate powers onto local government. In South Africa, this reluctance is especially strong at

the provincial level, where regional politicians fear that national leaders wish to bolster local bodies as a way of weakening the provincial level.

Their fears are well-founded. A well-placed informant with intimate knowledge of current processes explained why. One reason for the merger (now occurring) of the vast number of local authorities into fewer but larger entities is the desire to transform the new authorities into major providers of services -- so that they can take on much of the work now managed by provincial governments. The aim is to downgrade the provinces,[16] which many at the national level see as largely corrupt, incapable and -- not least -- sometimes controlled by parties other than the ANC. National leaders have spoken openly of turning provincial governments into neutral administrative structures, and of the hope that municipal mayors should become more powerful than provincial premiers. Given all of this, it is ominous to find that many key decisions about the empowerment of local bodies will be left to provincial leaders.[17]

The White Paper speaks, naively, of a new era of "Cooperative Government" in which all levels will work together, but then raises doubts about this by saying that (i) national and provincial governments are merely "permitted" to devolve powers onto local bodies, and (ii) that local offices of higher-level line ministries "may" need to be brought under local bodies' control.[18] The word "may" often crops up when the responsibilities of higher levels of government to local bodies are discussed in the White Paper.[19]

In other countries, when local authorities have been given leverage over line ministry personnel, they have usually succeeded in making them more responsive, in adapting higher-level programmes to local conditions and needs, and (tolerably well) in coordinating the work of line ministries.[20] This often happens in a manner that is far too untidy and rough-and-ready for the tastes of specialists in public administration -- and yet it does happen. There must, however, be serious doubts about whether the new local bodies in South Africa will receive anything like the powers that they need to tackle this alarming list of tasks. Without those powers, their exceedingly limited -- and in many cases nearly non-existent -- administrative capacities will leave them unable to shoulder these huge burdens even semi-adequately.

Since many of these tasks are closely bound up with the legal requirement for local authorities to produce an integrated development plan[21], two comments are required here on the difficulties which nearly all local authorities in less developed countries have with planning from below. First, despite many studies extolling the virtues of planning from below, empirical research indicates that most elected local representatives prefer to avoid long-term planning, in part for good reasons -- for example, an understandable desire to retain flexibility by shying away from long-term commitments. Second, most

local bodies have found -- even when they are well empowered on paper as planning authorities -- that officials at higher-levels often ignore their plans when crafting programmes.[22]

While doing all of these things, South Africa's local authorities must also confront a number of unavoidable problems: skewed settlement patterns; extreme concentrations of taxable economic resources; huge backlogs in service infrastructure; creating viable institutions for dense rural settlements; creating institutions which recognize the linkages between urban and rural settlements; entrenched modes of decision-making, administration and delivery; the inability to leverage private sector resources for development; substantial variations in capacity; and the need to rebuild relations between local authorities and the communities that they serve.[23] There must be serious doubts about whether local authorities will be able to tackle these problems if they must also perform the long list of technocratic tasks set out earlier.

Even if we set aside for a moment our basic concern in this section -- the under-empowerment of elected members of local authorities -- and consider whether civil servants who retain very substantial powers can address all of these tasks, doubts arise. South Africa, like most middle-income less developed countries, faces a serious shortage of high quality technocrats. The White Paper, like many other prescriptions devised in the new South Africa, fails to recognize that the country is inescapably a *less developed* country. It is not Britain or New Zealand (although even in those countries there are doubts about whether new forms of public administration are able to sustain and improve public services amid budgetary stringency).

Even in major urban centres like Durban -- perhaps the best administered municipality in South Africa -- bureaucrats have struggled to meet the demands of new prescriptions. And since these prescriptions have been handed down thick and fast by technocrats higher up over the last few years, those bureaucrats have faced round after round of reorganisation. They barely have time to settle into a new routine before it is 'improved' by still further innovations.[24] They are groaning under the weight of "transformation fatigue".[25] Outside the Durbans and Cape Towns, local authorities are extremely short of administrative capacity. It is widely accepted that authorities covering smaller towns and rural areas are well nigh bereft of technocratic talent.

Let us now return to the main problem with the approach taken in the White Paper. Its prescriptions tend strongly to empower bureaucrats rather than elected representatives. The rustics and shady characters who are seen as likely to win seats at local council elections are plainly viewed in the White Paper, and in most of the discussions which it has triggered, as incapable of comprehending and implementing these 'first world' administrative processes. It follows that the initiative in these authorities must remain largely with the technocrats -- if there are any, or even if there are not. It comes as no

surprise that most of the consultants who crafted the White Paper were specialists in new forms of public administration with NO experience and precious little knowledge of decentralized governance.[26]

One painful example of the White Paper's excessive use of techno-speak is its preoccupation with the need for elected bodies to provide "performance indicators" which will enable observers to judge their work. Evidence from a number of experiments with democratic decentralization in more severely under-developed countries than South Africa -- in for example, Bangladesh and Mozambique[27] -- clearly indicate that even poor, unlettered citizens do not require elaborate sets of indicators to form shrewd, accurate judgements about the performance of elected bodies. Such indicators are unnecessary.

It is far more important that elected local authorities be equipped with the three *performance enablers* -- the three essentials noted early in this paper. They must have adequate resources, adequate powers, plus adequate mechanisms to ensure the accountability of elected representatives to citizens, and the accountability of bureaucrats to elected representatives. In the absence of these performance enablers, elaborate indicators will merely reveal failure.

There is a great danger that the preoccupation of South African policy makers with technocratic devices like "performance indicators" will distract them from the need to ensure that all three of these crucial performance enablers will be included in the new system.

And we might ask, *for whom* are these performance indicators intended? They appear mainly to grow out of a desire that *bureaucrats* at all levels, rather than *citizens* at the grassroots, should be able to pass judgement on the work of elected authorities. And yet the main requirement is that accountability work the other way round. Bureaucrats must be accountable to elected representatives. The needs of technocracy may undermine the strength of local democracy.

This is a pity, since we know from numerous empirical studies of democratic decentralization in other (often less blessed) developing countries that if admittedly rustic elected representatives are empowered, many good things follow.

They tend strongly to make government more responsive -- in three senses. The *speed* of responses increases because local councils are empowered to act without awaiting permission from higher up. The *quantity* of responses increases, since local representatives (under pressure from citizens at the grass roots) tend to prefer small development projects to large and expensive schemes which those at higher levels favour. And most crucially, the *quality* of responses improves -- if 'quality' is measured in terms of the fit between development projects and the preferences of local residents.

Democratic decentralization also assists mightily in the adaptation of development programmes, which have been devised higher up, to distinctive local conditions. Elected local councillors are able to explain the need for certain government programmes like ante- and post-natal care schemes to local residents in terms that the latter can grasp -- so that uptake increases, and illnesses and deaths are prevented. The flow of information between government and citizens increases vastly -- in both directions. (Bureaucrats, surprisingly, feel empowered by the new information reaching them from below and begin to see advantages in new, democratized systems.)

Government becomes more transparent, since large numbers of elected councillors (and inevitably, many of their constituents) now know what only a few higher-ups previously knew -- what government programmes exist, how much money is available for them, etc. If local councillors are given some oversight of local schools, they can reduce absenteeism by teachers far more effectively than the current plan by South Africa's education minister to discipline such teachers from on high. He first needs to identify the slackers, and empowered local authorities can make angry citizens his allies. Similar gains will occur if local authorities have some say over local health dispensaries and water programmes. These and other gains enhance the legitimacy of government. They invariably enhance popular participation and cause associational life to quicken -- new associations are formed and old ones become more vibrant.[28]

Evidence from South and Southeast Asia, Latin America and other parts of Africa calls attention to one more important point. The more power a government devolves onto decentralized authorities, the more likely it becomes that non-rustic and non-shady local residents -- leaders of local self-help organisations, teachers, lawyers, other professionals, etc. -- will be persuaded to seek election to them.[29]

Unfortunately, the South African White Paper and discussions of it suggest that most of these gains will not occur there because elected members of local authorities will not be adequately empowered. It is important that experiments with democratic decentralization not be encumbered with the kind of complex rules and processes which are plainly being imposed in South Africa -- these systems work better when things are kept relatively simple.[30]

To reiterate, the plethora of tasks and regulations now being prepared suggest a distrust of elected local representatives by policy-makers at higher levels. The complicated provisions for the monitoring and evaluation of local authorities which are being constructed are clearly intended to ensure the accountability of *elected bodies to administrators higher up in the system*. This gets far more attention than (and tends to negate) the more vital matter of the accountability *of bureaucrats to elected local councils*.

Elected local councillors may lack the 'first world' sophistication of the technocrats who have designed this new system. They may be rough-and-ready types. But (again to reiterate) evidence from

elsewhere indicates that their decisions conform fairly closely to local preferences. If they go astray, the transparency of decentralized systems enables local residents to perceive this, and to punish errant councillors at and sometimes before the next election.

The distrust of elected local representatives in South Africa is especially apparent vis-a-vis rural areas. This distrust appears certain to leave the people's representatives with little leverage over bureaucrats at the district level who actually control government programmes. Nor are elected representatives likely to be given adequate or perhaps *any* representation on bodies that oversee key agencies like electricity boards.

For an example of the problems that can ensue, consider a recent episode in a place called Clarkson, a small (partly rural and partly peri-urban) community which witnessed a successful struggle by local African residents to regain control of lands that were taken from them in the apartheid era. After that victory, local residents (working with a non-governmental organisation) pooled resources to create crucially important sewage and water facilities.

They spent so much on these that they lacked the funds to sustain these projects, so they turned to the interim elected district-level authority under whose jurisdiction Clarkson lies. The elected representative on the district council were sympathetic, but the funds were not made available because bureaucrats in the district council office refused to release them -- on the technicality that these community-built projects stood on privately owned land.

Their refusal was reportedly inspired by jealousy over the failure of local residents and the NGO involved to turn the funds generated over to the bureaucrats before constructing the projects.[31] The ability of these bureaucrats to defy the will both of Clarkson residents and -- more importantly -- of elected district councillors is deeply worrying. They are patently not accountable to elected representatives.

One South African analyst, Steven Friedman, has called attention to the tension -- in the process of creating a new system of local government -- between the two noble objectives of the current exercise, identified at the outset in this paper. On the one hand, policy-makers are eager to address South Africa's inequalities and 'social deficit' by ensuring improved service delivery. On the other, they seek to deepen democracy by fostering representative institutions at the local level. But -- as he shrewdly notes, and as the evidence presented above indicates, there is a grave danger that the latter is being sacrificed in the pursuit of the former.

Friedman attended a conference on the emerging systems of local government in 1999 and as it neared its end, he realised that in the prolonged, highly technocratic discussions, no one had mentioned

two crucial things. He therefore argued that genuinely democratic decentralization required first, that people at the local level be informed of their choices, and second, that government agencies respond when those choices were expressed. Most of the others at the conference appeared dumbfounded at these comments[32] -- which cut to the heart of what is needed to make the new local government system work even halfway well.

As Friedman observes, the White Paper and higher-level political elites are far more preoccupied with administrative incapacity in local government than with representative incapacity.[33] To ensure the former, they are prepared to sustain the latter -- even though greater representative capacity can actually strengthen administrative capacity.

Empowered local representatives provide administrators with a huge amount of extremely useful information on local conditions, problems and preferences. Administrators are thus able to fine-tune programmes to local peculiarities. Elected local councillors who live in the communities that they represent are far more adept at explaining the rationale behind government programmes than are bureaucrats from higher levels, so they can foster popular understanding of, acceptance of and uptake of development programmes.

Unless the decentralized system that is now emerging provides elected local representatives with adequate powers, local democracy will not be a reality. Both the White Paper and analysts of it stress that a central tenet of the government's policy is the empowerment of local government. But it does not appear that this will actually occur. Or rather, it will be bureaucrats and not elected representatives in local authorities who are empowered. That is *fatally* insufficient.

2.3 Inadequate accountability mechanisms:

Will the new South African system include mechanisms to ensure the two kinds of accountability noted above? On one front -- the accountability of elected representatives to citizens -- there are at least mild concerns. The White Paper appears to indicate that, at least in large urban municipalities, representatives will serve extremely large constituencies -- containing perhaps an average of 60,000 voters.[34] (In mainly rural and peri-urban authorities, the numbers are likely to be somewhat or much lower than this.) It is harder for voters to call elected representatives to account in such large constituencies than in smaller ones.

This, however, is a minor matter alongside the main worry here. The reluctance of national-level policy-makers to empower elected representatives even semi-adequately appears certain to deprive the system of an essential requirement -- the capacity of elected representatives to hold bureaucrats accountable. This should be obvious from section B above.

It is also evident from the White Paper's conceptualization of 'sustainability'. It emphasises the economic sustainability of development projects, and recommends cost recovery through user charges as a means of ensuring this. It overlooks the main contribution which democratic decentralization can make to sustainable development.

There is next to no understanding in the White Paper or official comments on it that projects will become more sustainable if local representatives have a decisive voice in choosing which development projects are needed and what specific forms they should take. Evidence from decentralized governance elsewhere indicates that if they are permitted to make such choices, then grass roots communities will tend strongly to get the kinds of projects that they most prefer. And if that happens, they will make efforts to maintain and repair such projects -- precisely because they welcome them so enthusiastically. If the new system denies elected representatives much say in choosing development projects (and adapting them to distinctive local conditions), and instead emphasises bureaucrats' role in first imposing them and then in enforcing user charges, then far less will be achieved in terms of sustainability.

It is a harsh thing to say, but despite the many admirable intentions of the ruling elite in the new South Africa, it appears that they *have crafted a system of democratic decentralization that will fail to provide ALL THREE of the essentials which such systems require.* Elected councils will have inadequate funds, inadequate powers and inadequate mechanisms to ensure the accountability of bureaucrats to elected representatives. In an interview with an impressive team of policy analysts who have considerable experience of local government in South Africa, this writer was told that "We *know* that we will *never* have all three of these things".[35]

This comment is nothing short of alarming -- especially in the light of the same group's insistence that if local government cannot perform effectively, the *whole* South African reconstruction project will founder. This latter comment may be an overstatement. But if it is even half correct, then we are faced with an impending disaster. It is not too late to address this possibility, but to do so will require such radical rethinking that it seems unlikely to occur.

3   COMPLICATIONS

The problems set out above are further complicated by three things which need, briefly, to be addressed.

3.1 Urban bias

The imposition of unrealistically complex tasks and prescriptions on local authorities is partly explained by policy-makers' urban bias. They are inordinately preoccupied with local government in and

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around major urban centres. A great deal of what appears in the White Paper refers implicitly or even explicitly to the great conurbations of the country. The debates that have arisen since its publication have focused almost entirely on such areas.[36] And yet, nearly half of the people of South Africa reside in rural areas which face severe problems of local governance, and depths of poverty seldom matched in urban areas.[37]

Some of these complex technocratic tasks may be implementable by urban metropolitan authorities which have some highly skilled bureaucrats at their disposal. But it is wildly unrealistic to expect much in this vein from small town and rural authorities which have only minimal administrative resources available, if that. And yet, the prescriptions apply to *all* local bodies.

The administrative weakness of predominantly rural local authorities was apparent from replies to a national survey in 1997. It found that most respondents (and most black respondents) believed that service delivery had deteriorated since new transitional councils had taken over in 1995-96. It also found that larger majorities took this view in the less urbanized provinces. Fully 72.6% of respondents in the overwhelmingly rural Northern Province were either dissatisfied or very dissatisfied.

This did not mean, however, that rural dwellers opposed the empowerment of their local authorities. Another survey in that year found that rural respondents were much more eager than their urban counterparts to see local councils given control of government activities currently exercised by provincial governments. Rural residents appeared to attribute the poor showing of transitional rural councils to their limited powers. And, as analysts of the survey argued, they believed that elected representatives from their own rural communities would have a better grasp of "uniquely rural problems".[38] Evidence from other seriously underdeveloped countries which have undertaken democratic decentralization indicates these rural respondents were correct in this expectation.[39]

For predominantly rural authorities to have any chance to succeed, a radical scaling down of the expectations and tasks being loaded upon them is needed.[40] If a simple, basic and realistic set of expectations could be devised -- and this would not be difficult -- then evidence from other countries demonstrates that such councils could make a major contribution to making government more responsive, effective and -- in the eyes or rural dwellers -- more legitimate.[41]

And yet the new decentralized system in South Africa appears virtually certain to burden small town and rural authorities with impossible technocratic duties. It will also provide them with too few powers, too little funding and numerous "unfunded mandates".

The requirement that they perform the same complex tasks as large metropolitan authorities stands in defiance of the faith which rural citizens have in the representatives whom they will soon elect,

and of their desire that these representatives be provided with powers and resources to perform a realistic set of tasks. It strongly suggests that the urbanized and urban-oriented elites that have designed the new local government system simply do not trust rural citizens and the people whom they will choose to represent them on local authorities.

3.2 The mistaken belief in popular disenchantment with democratic local government?

The distrust referred to just above has coloured much of the discussion that has followed the publication of the White Paper. Many of those involved in the debate appear to believe that both elites around the country and ordinary folk at the grass roots are seriously disenchanted with local authorities, and may remain so. Hence the need for the top-down imposition of policies and for tight, elaborate rules and prescriptions to ensure that technocrats higher up can prevent errant local bodies from doing great damage.

But a close examination of the evidence available on the perceptions of ordinary folk, and even of elites in various localities in South Africa, does not support this view. Indeed, it suggests that distrust of local authorities exists mainly in the mind of those who are crafted the new local government system.

The best evidence is found in two surveys conducted between October 1997 and February 1998 -- one among a fairly representative sample of the population, and one among opinion leaders round the country. They have been seen to indicate widespread discontent with local authorities. But a careful assessment of this finding raises doubts.

It first needs to be stressed that the 'local governments' being assessed by respondents were the transitional bodies that had emerged in 1994 with massive disabilities. Consider, for example, that many of them had inherited huge debts from the pre-existing authorities of the apartheid era. In early 1994, negotiations between Nelson Mandela and F.W. de Klerk produced an agreement that all such debts would be written off by the national government, so that they could start "with a clean slate". Sadly, however, this agreement was not honoured, so that many transitional local authorities were crippled from the outset by financial liabilities.[42] To make matters worse, in many rural areas, and in and around smaller towns, local authorities were said scarcely to have existed. They were almost wholly incapable of constructive work, and -- sometimes even in major urban centres -- were mainly engaged in "crisis management".[43]

The two surveys were thus asking people to assess local bodies facing impossible odds. How did they do? The survey of a reasonably representative sample of the population asked respondents to grade the pre-1994 government, as well as national, provincial and local governments after the first non-racial

elections of 1994 -- on a scale of 1 to 10, with ten being optimum performance. The scores were as follows:

Pre-1994 govt.	National govt.	Prov. govt.	Local govt
3.7	6.2	5.3	4.8

When we consider that many, perhaps most local governments were capable of very little, they scored remarkably well.

Opinion leaders offered the following scores:

Pre 1994 govt.	National govt.	Prov. govt.	Local govt.
3.6	5.6	4.6	4.5

Here local governments did even better. They were seen to be only marginally less effective than provincial governments which had far more powers, administrative capacity and funds.[44] Given the grim circumstances which local authorities faced, these data should not inspire pessimism about what well-funded and empowered local bodies might achieve. The main reason for pessimism is the technocrats' misreading of this evidence, and their distrust of local authorities (and the people who will elect them) -- which on present trends will cause local bodies to be inadequate empowered and resourced.

3.3 Traditional Leaders' Role in Local Government

In six of South Africa's nine provinces, traditional leaders or chiefs continues to exercise political influence.[45] It is important to stress that their character and role differs from region to region. In some areas, they operate as old fashioned autocrats, controlling large landholdings and impeding the kind of social transformation that many in the nation's new ruling elite desire. When that is true, they preside over what one analyst of Latin America calls "authoritarian enclaves" -- which both democratization and democratic decentralization can undermine.[46] But in some areas, traditional leaders also help sustain patronage networks for regional ruling parties -- for the Inkatha Freedom Party in KwaZulu-Natal, and for the ANC in the Eastern Cape. And in the Northern Province at least, they operate as enthusiasts for development, again with close ties to the ANC.

The ANC elite has adopted rather ambiguous postures towards traditional leaders. They tend to prefer that "authoritarian enclaves" and traditional leaders' power within them should be eroded by the new democratic politics. But since some traditional leaders are helpful to the ANC, and since many of them could threaten ANC influence, democratic politics generally, and elected local authorities in

particular, they have proceeded cautiously in their handling of them. Certain state benefits have been extended to them, and in 1999, President Mbeki spoke warmly of their role in maintaining a form of democratic local government before the colonial era in South Africa.

The ruling elite also proposes to give traditional leaders representation on elected local authorities. The details of this are not yet clear, but there is a strong possibility that -- despite the fact that they are unelected -- they will be given voting rights and perhaps even parity with elected representatives. Arguments that traditional leaders' influence is strong enough in many areas to warrant a requirement that local authorities merely consult them appear unlikely to be accepted.

This poses yet another hazard for democratic local government. Traditional rulers clearly see elected local authorities as a threat to their influence. If they are given significant powers in such authorities, they could further undermine their effectiveness. They pose a patent threat to both of the main goals of the new system of local government -- to equalization (especially, but not only on the gender front) and to democratization. And yet, they appear likely to be a formidable presence within the system.

4   IMPLICATIONS

If South Africa's new system of local government is to have much chance of achieving its very worthy goals, action is urgently needed on a number of fronts.

- Since it is unrealistic to expect the technocratic vision set out in the White Paper to be utterly abandoned, its application should be limited to those major urban authorities which have some small hope of making it work. Local authorities in smaller cities, towns and mainly rural areas – with their severe shortages of administrative capacity -- should be exempted from its wildly unattainable requirements.   Such authorities should be given a radically scaled-down set of tasks. Clear and simple processes should be devised for them to follow.
- Adequate funds must be devolved onto local authorities to perform the tasks expected of them. At present, they must generate far too many of their funds locally. This will require the injection of substantial new money into local government – especially over the medium term, but to some degree in perpetuity.
- The imposition on local authorities of "unfunded mandates" (often expensive tasks for which more locally-generated funds will be needed) must be avoided. To impose them is to guarantee that these tasks will be performed badly, or not at all.
- National and especially provincial governments (where suspicions of local government are most extreme) should be *required* and not merely *permitted* to devolve adequate funds and powers onto local authorities.

- Elected representatives within local authorities must be given an exclusive or heavily predominant voice in decision-making.
- Elected representatives must also be given a great deal of leverage over bureaucrats operating at the same level – including those who work for many line ministries.

If these actions are taken, the new system – which in a country like South Africa has great potential – can be rescued from what at present is certain disaster.

NOTES AND REFERENCES

1   Ministry of Constitutional Development, <u>The White Paper on Local Government</u>, (Pretoria, 1998) -- available online at www.local.gov.za/DCD/policydocs/whitepaper/white2pg.html.

2   C. Heymans in <u>Development South Africa</u>, vol. 15, no. 2 (1998) online edition, p. 3 -- available at www.local.gov.za/DCD/dcdindex.html.

33   See R.C. Crook and J. Manor, <u>Democracy and Decentralization in South Asia and West Africa: Participation, Accountability and Performance</u>. The analysis is extended much more widely in J. Manor, <u>The Political Economy of Democratic Decentralization</u> (Washington, World Bank, 1999).

4   In 1994, around 30% of South Africans lacked access to safe water, but in 1999 (after 3 million people have gained from the water supply programme) that figure has fallen to 20%. Since 1994, the number of households supplied with electricity has risen from 40% to 63%. Over the same period, the proportion of homes with telephones has risen from 25% to 35%, as 1.3 million have been connected. The primary school nutrition programme and free health care have been extended to 5 million children. 700,000 houses are either built of under construction. C. Heyns, "His Masterful Voice", <u>Sawbona</u> (November-December, 1999), p. 69.

5   Olver in <u>Development South Africa...</u>, p. 7.

6   H. Kotze and R. Davies, "Comparing Attitudes Towards Local Government Performance: a Focus on the Northern Province" in Konrad-Adenauer Stiftung, <u>In Search of Excellence: Local Government and Service Delivery</u> (Pietersburg, 1999).

7   A. Bernstein in <u>Development South Africa...</u>, p. 8.

8   Ibid., p. 9.

9   <u>The White Paper....</u> and interview with Charles Simkins, Johannesburg, 30 November 1999.

10   Interview, Cape Town, 8 December 1999.

11   Interview with a team of policy analysts, Cape Town, 9 December 1999.

12   Manor, <u>The Political Economy...</u>

13   "Modern technologies and operational efficiencies, drivien by greater market competition, brong lower unit costs, better quality and more customer-orientated services...municpal services need to be run like a business, with clear cost centres and management held accountable for performance. Proper economic pricing of services means that they are used in the most effectient way by consumers." C. Olver, <u>Development South Africa...</u>, p. 7.

14   <u>The White Paper...</u>, section C, part 2.1 (there are no page numbers in the online version of this document). For more in this technocratic vein, see for example, E. Nong, "Enhancing Local Goverment Service Delivery: A Batho Pele (People First) Perspective", R. Naidu, "Servie Delivery in KwaZulu-Natal: Strategies and Challenges", and P. Maleta, "Servie Delivery: Perspectives, Challenges and Strategies" in Konrad-Adenauer Stiftung, <u>In Search of ...</u>

15   G. White, "Peformance Management for Effective Service Delivery" in <u>ibid</u>. Urban bias and an enthusiasm for technocratic prescriptions are apparent in other commentaries on the White Paper. See for example, <u>Sunday Times Metro</u>, 15 March 1998; <u>The Mercury</u>, 10 March 1998; <u>Business Day</u>, 13 March and 17 July 1998; and <u>Mail and Guardian</u>, 13-19 March 1998.

16   Interview, Cape Town, 9 December 1999.

17   See for example, <u>The White Paper...</u>, Section D, part 3.3.

18   <u>Ibid</u>., section C, part 2.2.

19   See for example, <u>ibid</u>., section C, part 3.2.3.

20   Crook and Manor, <u>Democracy and Decentralization...</u>

21   See in this connection, Foundation for Contemporary Research, <u>A Review of Integrated Development Planning in the Western Cape</u>, (Cape Town, 1999).

22   Manor, <u>The Political Economy....</u>

23   <u>The White Paper...</u>, section A, part 4.1.

24   Interview with a senior municipal administrator, Durban, 2 December 1999.

25   Olver in <u>Development South Africa...</u>, p.7.

26   Interview with Robert Cameron, University of Cape Town, 9 December 1999.

27   This is based on recent research in Mozambique by Fidelx Kulipossa and on Crook and Manor, <u>Democratization and Decentralization...</u>

28   J. Manor, "Democratic Decentralization in Africa and Asia", <u>IDS Bulletin</u> (April, 1995) pp.81-88.

29   Manor, The Political Economy....

30   <u>Ibid</u>.

31   Interview with a team of policy analysts, Cape Town, 9 December 1999.

32   Interview with Friedman, Johannesburg, 1 December 1999.

33 Ibid.. See also his useful commentary on the White Paper, <u>Business Day,</u> 16 March 1998.

34 Seats will be filled by a mixed system of proportional representation (using party lists) and constituency representatives.
The creation of such large constituencies in urban authorities is bound up with another change which is by and large unexceptionable. In order to create elected authorities which possess adequate administrative capacity, a demarcation commission is now compressing (through mergers) the country's current 1000 or so councils into 300. (Interview with a member of the commission, Robert Cameron, Cape Town, 9 December 1999.) There is no reason that this smaller number of authorities should have such very large individual constituencies.

35 <u>Ibid</u>.

36 For corroboration, see for example, H. Kotze, "Local Government in South Africa: Public and Opinion-Leader Perceptions of Selected Issues", <u>Occasional Papers</u> (Konrad-Adenauer Stiftung, Johannesburg,) September 1998, p. 16.

37 See for example, Office of the Deputy President, <u>Poverty and Inequality in South Africa</u> (Pretoria, 1998), available on line at: www.polity.org.za/govdocs/reports/poverty.html.

38 <u>Ibid</u>., p. 42.

39 J. Manor, <u>The Political Economy...</u>

40 See in this connection, C. Olver, "Development Debate and Practice...", <u>Development South Africa</u> p.10.

41 See the evidence from India, Bangladesh and Cote d'Ivoire in Crook and Manor, <u>Democracy and Decentralisation…</u>

42 Kotze, "Local Government in...", p.12.

43 Interview with Caroline Skinner, Durban, 2 December 1999.

44 <u>Ibid</u>., pp. 8-12.

45 For more on this subject, see C. Keulder, <u>Traditional Leaders and Local Government in Africa: lessons for South Africa</u> (Pretoria, 1998), especially chapter six.

46 J. Fox, "Latin America's Emerging Local Politics", <u>Journal of Democracy</u> (April, 1994) pp. 105-15.