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Lessons from South Africa's local government transition
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Introduction

South Africa is an example of a comparatively radical local government restructuring process. It derives from a very particular context, namely, the history of illegitimate apartheid local government structures, but it does provide an example of what can be done in terms of decentralisation and empowerment of local government, as well as amalgamation and consolidation of municipalities to address socio-economic challenges.

Local government in South Africa 15 years after democracy continues to face many challenges. The South African Government has recently announced a 'Local Government Turnaround Strategy' to address some of the shortcomings. Nevertheless, there is a great deal that other cities can learn from the South African experience of metropolitan governance.

Achieving a 'safe landing' – SA's negotiated local government transition

A great deal has been written about South Africa's negotiated peaceful transition. What is perhaps less familiar is the critical role of local government during this process.

In South Africa, by the 1980s, there was widespread resistance towards the apartheid local government, a system historically based on segregated white local authorities appropriating the major share of municipal revenue from industry and commerce in each town and city, with the resultant lack of municipal service delivery in impoverished black townships.

In the early 1990s, local negotiation forums began to emerge, with black civic leaders campaigning for a new system of local government based on the slogan 'one city, one tax base', essentially a call for more equitable distribution of municipal resources.

By 1993, the issue of local government had become a core issue at the Multiparty Negotiating Forum, and, together with disagreements over how the security forces would be controlled during the transition period, nearly bought the negotiations to a halt. Finally, to help break the deadlock, an agreement was reached on a phased local government transition process, a so-called 'safe landing'. In terms of the jointly-

agreed Local Government Transition Act, during the 'pre-interim' phase, local white communities, notwithstanding their relatively small numbers, were guaranteed equal representation on the newly amalgamated local authorities. This arrangement lasted until the first democratic local government elections in 1995.

Then, for the 'interim phase' until 2000, the former white local areas were allocated 50% of the demarcated wards (which constituted 60% of the total number of seats, the other 40% being contested on a proportional basis) – a guaranteed 30% representation. The 'final' phase, which saw the introduction of fully-democratic, non-racial local authorities throughout the country, was implemented following local elections in 2000.

From a 'tier' to a 'sphere' – local government in the South African Constitution

The new South African Constitution, which was negotiated through the multi-party Constitutional Assembly in 1995, and implemented from 1999, has a separate local government chapter. Herein it is stated that the local sphere of government consists of municipalities, that a municipality has the right to govern on its own initiative the local affairs of its community, and that national or provincial government may not compromise or impede a municipality's ability or right to exercise its powers and perform its functions.

Local government is therefore regarded, not as a `third tier' of government, established by statute but rather as an equal sphere of government that receives its mandate, powers and functions directly from the South African Constitution. Previously, local government derived its mandate from Provincial Government Ordinances. All three spheres of government are regarded as `distinctive', yet `interdependent and interrelated', with a strong emphasis on what is termed 'cooperative governance'.

Municipal powers and functions are specifically listed in the Constitution. Moreover, national and provincial governments must assign to a municipality by agreement a power or function if that matter would most effectively be administered locally.

Local government in South Africa thus enjoys a unique status, and plays a critical role in the development of the post-apartheid society. This is not to say that there are not frequent political or legal disputes between the various spheres of government. However, there is widespread acceptance as to the leading role of local government.

'Giant steps' - Consolidation of municipal boundaries and creation of metropolitan government

The process of establishing a new system of local government has seen a simultaneous devolution of powers and functions to local level *and* a rationalisation of the total number of municipalities (from 1100 in 1993 to the current 284) in order to improve local financial sustainability and service delivery. This is based on the

principle of 'one city, one tax base' whereby revenue is pooled centrally for equitable redistribution to areas of greatest need. The process of 'wall to wall' amalgamation and consolidation was organised through a national Municipal Demarcation Board.

The new system also provided for the establishment of a specific category of metropolitan government. There was previously no system of metropolitan government in South Africa. Initially, six single-tier metropolitan authorities were established with areas of jurisdiction that correspond approximately to that of the functional metropolitan economic area. Two more cities are in the process of being proclaimed metropolitan areas.

This has been done in the express recognition of the national economic role played by cities, as well as the need to reduce the possibility of destructive, cross-boundary competition between local municipalities within a multi-nodal metropolitan area.

The definition of metropolitan used in the demarcation process is as follows:
   a. A conurbation featuring areas of high population density, intense movement of people, goods and services, and with multiple business districts and industrial areas
   b. The centre of economic activity with a complex and diverse economy
   c. A single area for which integrated development is desirable
   d. Having strong interdependent social and economic linkages

This definition, in particular the last two points, was a direct response to the apartheid policy of deliberate fragmentation of the urban areas, and the relocation of black people to the urban periphery (and distant rural areas). The result is metropolitan governments with administrative boundaries that are more or less coterminous with functional economic and tax revenue boundaries.

The City of Cape Town, for example, went from approximately 60 segregated municipalities and local government structures in 1995 to a two-tier metropolitan system (with six local councils) in 1996 to a single metropolitan government in 2000. The City of Cape Town now has a single administration, single tax base and revenue system, single budget, and a governing body of 210 councillors, 50% elected directly by ward, and 50% through a proportional party list system.

Keeping the 'local' in local government

The decision to implement single city government covering large metropolitan areas raised the concern of local democracy and accountability – a key function of local government.

This has been addressed in a number of ways. Large elected municipal councils were instituted to provide opportunities for maximum representation. Secondly, a relatively weak executive mayor system was established, with an oversight role for

the Council chaired by a Speaker. As mentioned above, 50% of councillors are directly elected by ward constituencies.

A number of options for participation have been provided. These include ward committees nominated by different community ''sectors' to advise the ward councillor, sub councils with delegated powers, decentralised service depots and area management systems.

The South African Government White Paper on Local Government (1998) promotes the concept of `developmental local government'. Municipalities are given responsibility for being *proactive* about the developmental needs of the communities they represent, rather than simply confining their role to one of administration, regulation and service delivery according to a statutory list of powers and functions.

Developmental local government emphasises that this is achieved through integrated, participatory and partnership-orientated planning and management. All municipalities are now required to draw up Integrated Development Plans (IDPs) that must integrate local developmental objectives into a single vision, and reflect this in specific, measurable implementation plans. The emphasis is on mainstreaming integrated resource management, by focussing on the way in which the municipality performs its core business. A municipal IDP is therefore a statutory planning process, involving annual business plans and budgets, rather than an `add-on' programme.

Each municipality must actively encourage multi-stakeholder participation in the formulation, implementation, monitoring and annual review of its IDP. Municipalities, particularly in small towns and rural areas, receive support from provincial and national government for the IDP process.

While these participatory mechanisms have worked to varying degrees, and have been subjected to a national review in 2009 resulting in a new local government 'turnaround' strategy, one can conclude that keeping the 'local' in local government is not necessarily prejudiced by the large size of the municipal jurisdiction.

The battle for national urban policy

The six metropolitan governments in South Africa represent 35% of the national population and account for 59% of geographic economic production. If one combines the six metros with the next 26 secondary cities and towns, the figures rise to 52% of population and 78% of economic production.

Over the past 15 years, there have been three attempts by national government to formulate and adopt national urban policy – all have failed. In recent years, there was some progress with the (non binding) National Spatial Development Framework identifying areas of economic potential.

Current national government policy favours rural development, at least at the level of rhetoric, despite the fact that 65% of the South African population lives in urban conditions. Investments in urban and rural areas are often seen as mutually exclusive and competing. These arguments are based on a view that, with sufficient rural development, urbanisation can be reduced or even stopped. In addition, cities and towns are seen as 'centres of urban affluence' within a 'sea of rural poverty', notwithstanding the fact that the relatively high average level of wealth in cities often masks massive inequalities and deprivation.

A particular South African phenomenon has been urban growth without a rise in industrialisation usually associated with such urbanisation. As a result, there has been the urbanisation of poverty, with the six major cities now home to 2m unemployed and 3m economically inactive people.

It would help if national government policy was clearer on the strategic role of cities and their regions in achieving higher national levels of competitiveness in the global economy. Government policy also needs to focus more on the role of cities in addressing issues of poverty, inequality and underdevelopment.

 In policy terms, it is more useful to develop a view of 'urban plus rural', rather than 'urban versus rural', and to see urban and rural not as different and competing spaces, but as part of a single continuum. National policy should aim to promote urban-rural integration, rather than an 'urban vs. rural' approach, which perceives urban areas to be 'over-resourced' and attempts to divert resources away from urban areas. Cities in turn need to find ways to plan beyond their own boundaries.

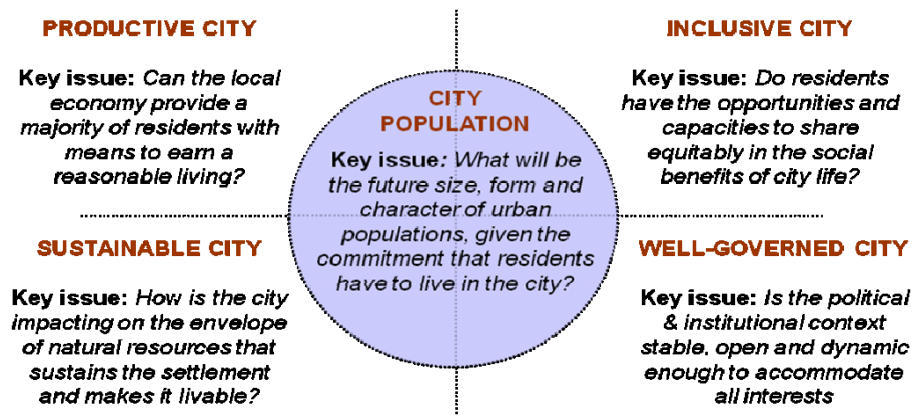## Networking and knowledge sharing – new forms of cooperative city governance

The South African Cities Network (SACN) was established in 2002 as a mechanism aimed at promoting the exchange of information and knowledge not only between cities, but also local, provincial and national spheres of government, something that public administrations are traditionally not very good at doing. The aims of the SACN are as follows:
- Promote good governance and management of South African cities
- Analyse strategic challenges facing South African cities, particularly in the context of global economic integration and national development
- Collect, collate, analyse, assess, disseminate and apply the experience of large city government in a South African context
- Promote a shared-learning partnership between different spheres of government to support the governance of South African cities

The SACN has promoted the view that cities are the 'engine rooms' of economic growth in South Africa. The formation of the SACN has had a positive impact on the ability of cities to put forward their views in a cooperative manner. The view is held that cities and towns need to be "competitive" but don't necessarily have to be "in competition" with each other.

Since 2004, the SACN has published two influential "State of the South African Cities" reports. A third will be published in 2011. These reports have promoted the need for cities to go beyond their IDPs and focus on city development strategies, based on the following considerations:

1) Integrative framework for development

PRODUCTIVE CITY
Key issue: *Can the local economy provide a majority of residents with means to earn a reasonable living?*

INCLUSIVE CITY
Key issue: *Do residents have the opportunities and capacities to share equitably in the social benefits of city life?*

CITY POPULATION
Key issue: *What will be the future size, form and character of urban populations, given the commitment that residents have to live in the city?*

SUSTAINABLE CITY
Key issue: *How is the city impacting on the envelope of natural resources that sustains the settlement and makes it livable?*

WELL-GOVERNED CITY
Key issue: *Is the political & institutional context stable, open and dynamic enough to accommodate all interests*

2) Long term vision linked to short term action plans
   a) City visions need to go beyond 'motherhood and apple pie' statements
   b) There is a tendency to still focus on short-term operational plans rather than a long term city strategic plan – both are needed, and they need to be connected
   c) There is a persistence of 'shopping lists': there is a need to focus on city-wide 'change-drivers' and 'points of leverage' where impact can be maximised

3) City wide planning and resource mobilisation
   a) It is useful to distinguish between a municipal plan and a plan for the municipal area – the first deals with municipal powers, functions and budgets, the second with the development contributions of other levels of government, the private sector and the community or voluntary sector
   b) Develop a collective rather than just a municipal city vision, with a shared understanding of a city's socioeconomic structure, constraints and prospects, within the context of global, regional and national trends
   c) Promote joint effort: structured governance and partnership arrangements between government, business, labour and civil society
   d) Adopt a comprehensible rather than comprehensive city plan: easy to communicate, manageable, empowering, accessible

4) Planning beyond boundaries
   a) Establish mechanisms to plan beyond the area of municipal jurisdiction
   b) Maximize rural/ urban linkages in policy and planning
   c) Develop national urban and spatial development strategies that can plan for where people are going to be, not just where they are now, i.e. focus on

mobility and portability of skills, not just place-bound services and
    infrastructure

5) **Integrated public sector asset management**
    a) Give consideration to the full range of public sector interventions within the
       city area rather than on municipal powers and functions only
    b) Improve alignment of public sector initiatives within city areas, in particular,
       land and buildings, transport, skills, social services, housing, urban
       regeneration
    c) Particular focus is needed with regard to role and participation of state-
       owned entities

6) **Alignment of sector policies and plans**
    a) Develop mechanisms to `mainstream' cross-cutting issues (e.g. economic
       growth, poverty reduction, migration, HIV/AIDS, spatial planning,
       transportation, environment, etc)
    b) Establish basis for 'trade-offs' between plans, in order to avoid the problems
       of 'parallel planning'
    c) Focus more on the results (outcomes), rather than on inputs and outputs

7) **Combined classes of instruments for implementation of strategy**
    a) City development strategies should aim to harness all possible instruments
       for implementation, for example: policy, legislation and regulation, fiscal
       (taxes, fees, charges, incentives), financial (government expenditure, equity),
       institutional (governance, participation, alignment), public asset
       management, knowledge management, and advocacy and leadership

Many South African cities and towns have begun grappling with these and other
issues in an attempt to address the ongoing development challenges.

South African cities – what still needs to be done

Great strides have been made in many South African cities in the past 15 years.
There has been a concerted effort around more equitable provision of basic services
to poor communities. In Cape Town, for example, 99,4% of residents now have
access to piped water; 94,8% to energy for lighting, and 95,2% to refuse removal. All
residents (nationwide policy) earning under a certain amount receive 6kl of free
water per household per month and 50kw free electricity. Wards are ranked in terms
of a poverty index, and there is a metro-wide plan for the rollout of municipal
infrastructure.

Planning for the 2010 FIFA Football World Cup has helped to accelerate the
modernisation of transport infrastructure and has given host cities a higher profile.

However, one of the most visible consequences of past policies is the persistence of
the dual nature of South African cities and towns: the formal and the informal, the

employed and the unemployed, the insiders and the marginalised, the wealthy and the poor, juxtaposed and yet often worlds apart.

Fifteen years after the political transition, and despite tremendous progress, inequalities persist, and many towns and cities in South Africa continue to be characterised by:
- Spatial fragmentation
- Political, racial and social division
- Inadequate public transport and a predominance of car-based planning
- Low density urban sprawl and poor land use management
- Weak land and housing markets, especially in poor areas
- Inadequate planning for urban growth
- Environmental degradation
- Inadequate climate change mitigation strategies

In addition, many of the institutional arrangements in cities and towns are still weak, characterised by:
- Vexed relationships between the political and administrative levels
- Accountability upwards towards political parties and other spheres of government rather than to communities
- The domination of ward councillors by proportional representatives and political parties
- Loss of skilled staff, and the appointment of people without the necessary qualifications
- Political instability within and between political parties, with factionalism, in fighting and continuous floor crossing until it was prohibited in 2008
- Centralisation of powers around mayors

Despite these and many other challenges, metropolitan government in South Africa remains relatively stable and cities continue to be sites of innovation and change. National government is moving away from a 'one size fits all' approach to local government, and is looking to increase the number of metropolitan municipalities from six to eleven. Consideration is also been given to the decentralisation of transport and housing powers to cities.

Just as the success of the negotiated settle in 1992-94 rested on the issue of local government, future economic and social progress in South Africa depends mainly on the performance of our cities.