



**MINISTRY FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA**

Private Bag X802, Pretoria, 0001 Tel: (012) 334 0705, Fax: (012) 326 4478
cnr Hamilton and Proes Street, Arcadia, Pretoria

**ADDRESS ON BEHALF OF THE MINISTER FOR COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS, MR SICELo SHICEKA, BY THE ACTING DIRECTOR-GENERAL,
ELROY AFRICA**

**10TH ANNIVERSARY OF THE *LOCAL GOVERNMENT BULLETIN*,
COMMUNITY LAW CENTRE, UNIVERSITY OF THE WESTERN CAPE,
CAPE TOWN, 23 JULY 2009**

Programme Director, Mr Johaan Mettler
Vice Rector of the University of the Western Cape, Prof Brian O'Connell
The Director of Community Law Centre, Prof Nico Steytler
The Coordinator of the Local Government Project, Prof Jaap de Visser
Students and Friends of the University
Ladies and Gentlemen:

INTRODUCTION

We want to extend the apologies of the Minister for Cooperative Governance and Traditional Affairs, Mr Sicelo Shiceka, for not being able to be here today. He sends his warmest greetings and best wishes to the Community Law Centre and the University of the Western Cape on this very important occasion.

As a Ministry and Department we would like to congratulate the Community Law Centre with the 10th anniversary of the Local Government Bulletin. The Bulletin has served as an important chronicle of the achievements and challenges of local government in this country. It has played an important role in making the new dispensation for local government accessible and understandable to large numbers of councillors, municipal and government officials, community members and development workers. We congratulate you on contributing to the knowledge and intellectual work and discourse in better understanding our evolving system of local government.

Today we want to share a view observations and ideas on the local government road we have traveled thus far and we think where we ought to be headed by 2011 and 2014.

SIGNIFICANCE OF THE 1998 WHITE PAPER ON DEVELOPMENTAL LOCAL GOVERNMENT

We want to believe the *Local Government Bulletin* that was born on the 23 of July 1999 was, in part, inspired by the unveiling of the White Paper on Developmental Local Government that was issued by government in 1998.

There is little dispute that this White Paper on Developmental Local Government represented a watershed moment, not only for our system of local governance in this country, but also for the majority of our people.

The stated vision for developmental local government in this White Paper was defined as,

“local government that is committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and to improve the quality of their lives”.

The central principle of this White Paper was to place our people at the centre of local government and local service delivery. We went further to say that we will strive to improve the social and economic material conditions of our people. These commitments were the direct antithesis and opposite of what the apartheid regime had imposed on our people.

Finally we distilled the overarching objectives and outcomes of developmental local government to focus on the following four areas:

- *Provision of household infrastructure and services;*
- *Creation of liveable, integrated cities, towns and rural areas;*
- *Local economic development; and*
- *Community empowerment and redistribution.*

In retrospect these outcomes were profoundly revolutionary, especially regarding its implications for our municipalities and our system of government as a whole. Firstly, we made a commitment to provide basic services to all people regardless of physical location or designated groups. Secondly, we made a commitment to undo the apartheid geography of fragmented cities, towns and rural areas. Thirdly, we committed ourselves to promote inclusive and vibrant local economies where our people would be able to pursue and obtain job opportunities and contribute to healthy communities. Finally, we committed ourselves to supporting communities to take control over their own destinies through enabling the redistribution and sharing of resources.

The key question that flows from this White Paper in 1998 – for us in 2009 is, *how well have we done over the last ten years or so in realizing the vision of developmental local government ?*

KEY INTERVENTIONS IN LAST 10 YEARS IN LOCAL GOVERNMENT

Before attempting to answer this question, it may be useful to briefly reflect on at least one important local government intervention that has sought to accelerate the realization of the goals of the White Paper on Developmental Local Government.

In October 2004, an important national catalytic hands-on intervention in local government was launched, which became known as *Project Consolidate*. This 2-year programme was aimed at rolling out:

- √ A targeted hands-on support and engagement programme on building the capacity of municipalities to perform their mandate; and
- √ A complementary process of systematic refinement of policy, fiscal and institutional matters that will enable the consolidation of the local government system in the long- term.

Between 2004 and 2007/8, this programme mobilized and deployed (together with key partners, such as the Development Bank of Southern Africa) a total of 1,120 professionals, graduates and interns to various targeted municipalities. A number of gains were registered, which can be linked to Project Consolidate. The following statistics that demonstrate this progress between the period 2004/5 and 2007/8:

- a. In 2004, in 116 of the 283 municipalities, 60 percent or more of the households did not have access to **formal housing**. Three years later, that number has been reduced to 87. *(A 33 percent reduction in the number of municipalities)*
- b. In 2004, in 155 of the 283 municipalities, 60 percent or more of the households did not have access to **water** in their yards or in their dwelling. Three years later, that number has been reduced to 115. *(A 35 percent reduction in the number of municipalities)*
- c. In 2004, in 122 of the 283 municipalities, 60 percent or more of the households did not have access to **electricity**, at least for the purpose of lighting. Three years later, that number has been reduced to 45. *(A 71 percent reduction in the number of municipalities)*
- d. In 2004, in 203 of the 283 municipalities, 60 percent or more of the households did not have access to **sanitation** at the standard of a flush toilet, a septic tank sanitation system or a chemical toilet. Three years later, this number has been reduced to 150. *(A 35% reduction in the number of municipalities)*
- e. In 2004, in 182 of the 283 municipalities, 60 percent or more of the households did not have access to **refuse removal** at least once a week. Three years later, this number has been reduced to 159. *(A 14% reduction in the number of municipalities)*

These outcomes clearly indicate the importance of providing extra-ordinary, meaningful, purposeful and focused support to local government. It must be stated however, that our own assessment of Project Consolidate points to a number of fundamental weaknesses. These include,

- Non-sustainability of many of the hands-on interventions in municipalities;
- Poor accountability mechanisms in municipalities to ensure ownership by both councilors and officials; and
- Weak political oversight and buy-in over the programme across all levels of government.

STATE OF LOCAL GOVERNMENT IN 2009

Since 2004, national, provincial and local government have collectively attempted to better monitor and understand the key governance and service delivery trends in our municipalities. We did this, and continue to do so, through the lens of five (5) key performance areas:

- i) Municipal Transformation and Institutional Development;
- ii) Financial Management and Financial Viability;
- iii) Basic Services and Infrastructure;
- iv) Local Economic Development;
- v) Good Governance and Community Participation.

We receive regular reports from each of our provinces on these KPAs that assist us to understand the progress we are making and where challenges and problems continue to be persistent.

In most of these areas we are noticing discernable progress. For example, in the area of **institutional development** we have seen a steady improvement in the quality of Integrated Development Plans (IDPs) of municipalities, which stood at 80% for 2008. Also at the end of 2008, the national vacancy rate for Municipal Managers and municipal Chief Financial Officers was about 12%. Furthermore 79% of all municipalities are implementing Performance Management Systems (PMS). In general, we believe these trends are positive.

In the area of **Local Economic Development** (LED), all 46 District Municipalities have LED Strategies and 89% of all 283 municipalities have a LED manager or a dedicated resource to manage this area. On the qualitative side a recent LED study (2009) commissioned by Department and the AHI states the following,

“It is most important to appreciate that considerable differentiation exists across the space economy in terms of the practice of LED. At one end of the spectrum is the situation in the major cities. Here the activity of LED has shifted clearly in the

direction of pursuing a comprehensive LED practice, which is dominated by issues of competitiveness but also embodies elements of a welfare or pro-poor focus. Indeed, the practice of LED in the major cities, which emphasizes the building of systemic competitiveness, has been favourably compared to that occurring in other middle income countries. Outside the metropolitan areas, however, the picture is uneven and generally much less positive. Although there are notable cases of pro-active LED responses to economic decline in secondary cities and small towns, the general picture is not promising. One highly critical assessment of South Africa in the comparative international context described the lagging nature of LED beyond our cities as “somewhere between third and fourth world”.

This same report argues that,

For several years there has been ‘a battle of ideas’ over the soul and meaning of LED in South Africa. Put simply, should LED initiatives have a competitive or a welfare focus? It is evident that whilst both approaches – the competitive approach vs welfare approach, pro-growth vs pro-poor; market-oriented vs market critical – are required there has been insufficient clarity or leadership given by national government to local governments in order for them to determine which is the preferred approach. Further, whilst there is agreement on the desired outcomes of LED – such as reduced poverty and more jobs – there are considerable differences in outlook between what the role of local government should be in achieving these outcomes. One debate is essentially between those who believe that local government should provide a direct solution through supporting projects for job creation or others who advocate for an indirect solution through creation of an enabling environment.

This last quotation is maybe more relevant to a forum such as the one today, because it speaks to the need to advance a more rigorous intellectual and policy debate on LED in the South African context. This becomes even more important given the national imperatives around the creation of decent work and fighting poverty over the next 5 years.

In the area of **basic services**, the picture is much more complex. Firstly, we know that this government is making steady progress in broadening access to basic services to our communities. This is borne out by the Community Survey of 2007, which shows that:

- In 2007, 88,6% of the population in South Africa enjoyed access to piped water; and
- In 2007 a little more than 60% of households in South Africa had access to a flush toilet.

However, at the same time we are aware that the bulk infrastructure serving our communities in many parts of the country is taking severe strain. In another study that

the Department (2009) recently concluded on the state of water and sanitation infrastructure in the country we now know (and have re-confirmed) that,

- i) The three provinces with the biggest water backlogs are Limpopo (552 156 households), Eastern Cape (438 164 households) and Kwa-Zulu Natal (463 650 households).
- ii) Limpopo, North West and Northern Cape have no additional water resources available and the Western Cape has only 21% available.
- iii) In Gauteng the design capacity of waste water treatment works has been exceeded by 2%.
- iv) The extent of the *dilapidation of the water treatment works (WTWs)* in the country is very high, measured at approximately 90%, which means the WTW's only have a limited remaining useful life.
- v) The total amount required to address the bulk water and sanitation requirements is estimated at R56 billion.

It is clear that some of these hard statistics are manifesting themselves on the ground in various local communities across the country. We are monitoring and analyzing the current wave of community and social protests that have been given the label of "service delivery protests".

Two years ago (2007) the Centre for Development Support from the University of the Free State undertook a study on the trends of protests and concluded that,

"In our opinion, (however,) it was various configurations of these factors that contributed to the protests."

Some of the specific contributing factors that they identified included the following:

- *Poor governance*
- *Individual political struggles*
- *Poor communication*
- *Ineffective client interface*
- *Ineffective management*
- *Housing administration and management*
- *The economic impact of poor service delivery*
- *Affordability issues*
- *Regional identities at local municipal level*
- *Strategic planning*
- *Intergovernmental relations: powers, functions and unfunded mandates*
- *The lack of appropriate youth development*

We can not disagree that in many instances there are legitimate concerns about poor service delivery in many municipalities, as demonstrated by one the interviewees in this 2007 study when it was said,

“If I had to rate the Municipality in respect of service delivery by means of the guidelines used to rate the hospitality industry, I would give it a ½ star for water and electricity, and a 0 star for sanitation before the unrest. With the slight improvements since then, I can give it 1½ star for water and electricity, and a ‘minus 5’ star, whatever that means, for sanitation. That is how I see things.”

In his Budget Speech in Parliament this year, Minister Shiceka, gave his own assessment of the state of governance and service delivery since 1994. He said,

“It is a crying shame that after 15 years of democracy parts of our country such as the OR Tambo district, still reflect the legacy of apartheid and the unacceptable face of under-development, poverty and marginalisation. Our governance system has failed to muster a common vision and implementation programme to honour the contribution that this district has made to freedom and democracy in South Africa.”

It is our view that over the last 15 and 10 years we have seen a mixed picture of irreversible progress and significant areas of service delivery failure in local government. The question is, *what are our primary tasks and priorities for local government over the short- to medium term period ?*

VISION 2011 AND 2014

The Ministry and Department of Cooperative Governance and Traditional Affairs has already made a number of commitments that will occupy us leading up to 2011 and 2014. Our fundamental objective is that we re-instill the confidence of our people in our system of local government through tangible and targeted programmatic and policy reform interventions over the next 2 to 5 years.

We have agreed with each of the provinces that the first step in this process is to have intensive interactive engagement sessions with each municipality in this country that will result in a national State of Local Government report that will be finalized by the end of September 2009.

This will lay the basis for the development of national Local Government Turn Around Strategy that will be completed by December 2009.

We are of the view that we need a strong empirical and qualitative foundation to inform our local government programme over the medium term.

While we do not intend to pre-empt the findings and conclusions of the national audit of local government, we have already identified a few areas which we believe we should have made significant progress by 2011 and 2014:

By 2011, together with our partners, we intend to actively work towards achieving the following:

- a) Significantly reducing the number of complaints of our people and communities against municipalities;
- b) Giving our Ward Committees the necessary powers and resources to develop and implement a Ward Development Plan;
- c) Reducing the instances and reported cases of fraud and corruption in municipalities;
- d) Ensuring a reformed regime of remuneration *and* the provision for tools and trade for councillors, Ward Committee members and CDWs;
- e) Ensuring increased and effective monitoring of service providers by public representatives, officials and communities;
- f) Reducing the number of service delivery protests across the country.

By 2014, together with our partners, we intend to actively work towards achieving the following:

- a) Reducing municipal debt by half, which has currently increased to more than R51bn;
- b) Greater progress in working towards a debt-free society, by promoting a culture of saving and paying for services;
- c) Ensuring that all municipalities have clean audits;
- d) Ensuring that we have clean cities, through the management of waste in such a way that it creates employment and wealth. This must include the establishment and maintenance of People's Parks;
- e) Having trained and competent councillors, traditional leaders, officials, Ward Committee members, CDWs and community activists; and
- f) Ensuring that our Thusong Centres become the face of cooperative governance in our local communities.

While most of the above are administrative and programmatic interventions, we also intend to manage a parallel initiative aimed at policy and legislative reform, primary directed at local government. The sixteen (16) areas we have identified are still being subjected to a political process that will inform the nature and pace of this reform initiative. The identified areas include:

- a) New legislation on sub-national powers and functions to regulate / replace Schedules 4 & 5;
- b) National legislation to govern the core structures and systems of provincial government;

- c) Reform of the intergovernmental fiscal system to promote viable provincial and local government;
- d) Strengthened legislative provisions to intervene directly in provincial and local government;
- e) Reform of the two-tier system of local government ;
- f) Review and separation of municipal legislative and executive functions;
- g) Strengthened regulatory framework on performance management and compliance with the Codes of Conduct for administrative officials and elected representatives;
- h) Reform of the regulatory and funding regime for Ward Committees;
- i) Reform of the regulatory regime for supply chain management in provincial and local government;
- j) Review of legislation on anti-corruption as it relates to provincial and local government;
- k) Review of the legislative framework for fire services;
- l) Reforms aimed at ensuring a greater alignment and standardization in the regulatory , institutional and support framework for the institution of traditional leadership across provinces;
- m) Revision of legislation on traditional leadership and the integration of the KhoiSan into the institution of traditional leadership;
- n) Review of the Organised Local Government Act;
- o) Review of the legislation on the S185 / CRL Commission; and
- p) Supporting the review of / enactment of new legislation on development planning.

CONCLUSION

It is our view the interventions and targets we have identified leading up to 2011 and 2014 will hugely assist in establishing more efficient, effective and responsive municipalities.

As we go forward we will call on all our development, community, business, labour, civil society, research and academic partners, such as the Community Law Centre, to partner with us as we seek to realize a better life for all our people.

We thank you.