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SOUTH AFRICA URGENTLY NEEDS A “MARSHALL PLAN” FOR ITS IMPLODING MUNICIPALITIES

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The Auditor-General (AG) Kimi Makwetu and the Minister of Cooperative Governance, Zweli Mkhize, recently stated things are worsening with the finances (and by implication therefore with service delivery) at municipalities. The shocking figures in this regard are already well known: irregular expenditure increased to R28.3 billion (from R 16.2 billion in 2015/2016) nationwide - an increase of 75%. In addition, 128 of the 257 the municipalities across the country are experiencing serious financial difficulties, and only 13% (33) received clean audits. Eskom has announced that municipalities now have more than R14 billion worth of outstanding debt for unpaid electricity bills alone.

By government’s own admission, it is no longer necessary to continue embellishing the state of affairs. It is enough to make one ill, literally in the case of millions of South Africans who are on the receiving end of dismal municipal service, if at all. The question staring us in the face is: how can this crisis be solved? How can we get back to a place where municipalities put the people they are supposed to serve *first*? To answer this question, one first needs to examine the causes of this state of affairs.

The causes of the large-scale implosion of municipalities are widespread and complex. At the end of 2014, the Public Service Commission (PSC) indicated in a discussion document that amongst the main reasons for poor service delivery in the public service were cadre deployment and affirmative action. The PSC warned then that “effectiveness and competence” should not be sacrificed on the “altar of remedial-action employment”. The acting Chairman of the Commission, Adv RK Sizani, confirmed that cadre deployment was a factor that resulted in unqualified candidates getting top government posts and this state of affairs is driven by the requirements of demographic representativity (the so-called 80-9-9-2 formula). Herein lies the root of the current problem in our municipalities. Competence, efficiency, efficacy and ultimately the needs of the majority of South Africans are sacrificed at the altar of employing cadres and satisfying demographic formulas.

It is also the elephant in the room that the ruling party does not (want to) give attention to. For instance, nothing has since been heard about the above-mentioned document or its recommendations. And the situation at the end of 2014 would not have improved under the Zuma administration, rather, it would have worsened.

Due to a lack of experience, knowledge and skills (especially financial and engineering), municipalities annually spend (mostly totally ineffective) millions of rand on consultants - to effectively supplement and actually do what officials should do. And there is evidence that many of these consultants do not make a scrap of difference.

Many a journalist has written about the corrupt patronage networks that operate at local government level and its impact both locally and nationally - the Zupta files are evidence of



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this. Corruption and the state of incompetence have become a way of life in many municipalities. Add to this toxic mix the culture of entitlement and instead of “batho pele” (the people first), the motto is “ke pele” (me first).

Finally, it must be said that the excellent and constitutional concept of “cooperative government” has essentially stopped working under these circumstances. According to section 139 of the Constitution, provincial governments only have the right to intervene and place a municipality under administration under certain specific circumstances, but then there are usually not enough skills at provincial level to reverse the situation. There is no shortage of multiple and oftentimes bureaucratic systems and rules, but these are simply circumvented or not applied, and do not serve to prevent corruption.

But as a friend recently said to me, “I’m sick and tired of hearing how bad things are with municipalities. Rather focus on solutions. What would you do if you were the President?”

In the first place, the ruling parties (ANC and DA) should strongly consider doing lifestyle audits and proficiency testing for municipal officials. It is the only effective way to deal with the root of the malaise mentioned above. One could conclude, based on the AG’s statistics, that at least 50% of municipal officials are incompetent or corrupt. They will simply have to be removed in order to remedy the situation and put local government on a firm footing. Retraining may be an option for a smaller percentage of officials. However, this effort may be stymied by lack of cooperation from the unions.

Secondly, political parties need to change the culture among municipal officials. Discussion groups, codes of conduct and signing a code of ethics could be implemented. The essence of “batho pele” needs to be revived. It must be made clear that misappropriation and worse still, corruption, are no longer welcome in the municipality, or the party. Punishment for transgressions, big and small, must be predictable and the criminal justice system must be strengthened to deal with these. Municipal budgets have been the piggy banks for too many for too long.

What is very important here, is that many of the same factors that led local government officials to corruption and misappropriation also largely apply to elected councilors. And that is where political parties need to start changing the culture: with their “own” elected councilors. Because it is the oversight of those councilors that is either flawed or absent. Only when they change their mindset can they change the attitude of the officials and the culture of the local government for the better. Where necessary (and probably in most cases), the change of culture must occur first - or simultaneously - at provincial level. When elected officials are at the heart of a process of dysfunctional and highly corrupt systems of local governance, then democracy is at risk.

The recently-acquired additional powers of the AG - to empower the AG to refer material irregularities to the SAPS, the PP and the SIU to investigate and criminally charge officials who have defrauded municipalities in their personal capacity, by issuing certificates of debt - is a step forward. This principle has already been applied at national level and can



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be successful - not only to remove those who are corrupt and to prosecute them, but also to serve as a very strong deterrent for future corruption.

In short, it means, thirdly, that all legal remedies must be used to prosecute incompetent and corrupt officials - and replace them with competent, honest people.

Fourthly, and possibly somewhat controversially, the President could consider relaxing demographic representativity in certain circumstances in municipalities - and even the entire public service - or even to abolish them. People who can do the job right, should urgently be found - regardless of their race or background. If this is not done, and service delivery does not improve, the people who run the risk of continuing to suffer the most, are the disadvantaged, and especially poor black South Africans.

Finally, the President needs to once again closely examine the principles of cooperative government in the Constitution and possibly implement a new legislative framework for local government - without necessarily meddling with the existing Constitution. To place municipalities under administration could work in one province (such as North-West). However, there is not sufficient capacity in provincial governments to place all 128 municipalities that are in trouble under administration and to “turn them around”. And (as is apparently planned) to merely provide financial and administrative assistance to struggling municipalities offers no lasting solution to the deeper problems of inefficiency, corruption and misappropriation. Therefore, another legislative framework will need to be created to make our local government sector sustainable and viable.

Any government that knows that more than half of its local government sector - tasked with delivering essential services to ordinary people and sometimes the poorest of the poor - is malfunctioning and/or bankrupt and does nothing about it, or does not make the right interventions, is playing with fire.

It is not an exaggeration that South Africa’s local government sector urgently needs a comprehensive and far-reaching “Marshall Plan”, like Europe did after the Second World War.

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