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**Perceptions of Staff Regarding the Implementation
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E Sisa, J van der Westhuizen and G Naidoo

Editorial

V Jarbandhan

Chief Editor

Department of Public Management and Governance
University of Johannesburg

Postgraduate supervision of Public Management students at universities of technology have been at the centre of many academic debates in the discipline. In **'A Public Management Perspective of Postgraduate Research Supervision: Selected Cases of Universities of Technology'**, Rozenda Hendrickse investigates the challenges of supervising master's and doctoral students at selected universities of technology.

The article reflects on the level of preparedness; the quality of postgraduate training in higher education institutions, specifically universities of technology; the time taken by students at universities of technology to complete their studies; and the high percentage of students who terminate their studies.

The core focus of the research was on undertaking an improvement-oriented investigation into the current postgraduate supervision practices at two universities of technology. Hendrickse states that in order to improve postgraduate supervision at universities of technology, there needs to be stricter selection criteria of prospective postgraduate students. Moreover, the article highlights the fact that postgraduate students should undergo compulsory preparatory skills courses and workshops in, *inter alia*, critical thinking, problem solving and time management, as these challenges have been a deterrent to postgraduate success.

Hendrickse concludes by indicating that a workload model be devised to obtain an optimal mix between supervision capacity at universities of technology and supervisors holding a full teaching allocation.

Income distribution in South Africa is among the most skewed in the world. It is therefore accepted that government must play a larger role, through its spending, to close the income gap between the various population groups (Black in De Wet and Majam 2015). In order to help remedy this situation, the National Treasury of South Africa has developed separate revenue-sharing formulas for provinces and municipalities.

In **'Income Redistribution through Government Expenditure and Taxes in South Africa'**, Francois de Wet and Tasneem Majam aim to measure the redistributive consequences of government spending by province and municipality. This is done by comparing the collective taxes individuals pay in a province to the treasury and the money spent by the treasury on each individual

by province. This article suggests that the so-called 'richer' provinces in South Africa received proportionally less from the government than the so-called 'poorer' provinces.

In the first section of our analysis, a so-called welfare budget is constructed and in the second section, a tax burden analysis is made. "The reason for the 'tax burden analysis' is that it should give a broader insight into the burden the National Treasury places on individuals as they extract more than one kind of tax from them, and then compare it to what they receive back in terms of government expenditure," according to the authors.

In general, the revenue sharing formulae ensured that income was distributed from 'richer' provinces to 'poorer' provinces and as a result of this income was redistributed from relatively higher income earners by province to relatively lower income earners nationwide. According to the authors, some provinces seem to have received relatively more than they should have in one period of time and then in the next period relatively less.

This article concludes by stating that given the implementation constraints facing most of the provinces, the national government seems to have addressed the problem of population group income inequality through government expenditure and taxes.

Furthermore, the authors highlight the importance of the welfare budget. An appeal is made to the South African Revenue Services as well as the National Treasury not to negate the welfare budget's usefulness in the government's search for inter-population group equality. Moreover, the authors suggest presenting data in such a manner that it aids, rather than hinders, the construction of welfare budgets for provinces.

One of the key tenets of a democracy is legislative oversight over executive authorities. The aims of such oversights are to foster accountable, efficient, responsible, ethical and transparent governance. In '**Political Oversight of Municipal Projects: An Empirical Investigation**', Gerrit van der Walddt states that recent official and media reports in South Africa record a rising trend in the number of unethical, and mismanagement cases in especially the local sphere of government, which has led to numerous service delivery protests.

The purpose of this article is to investigate the functioning and utilisation of political oversight structures and mechanisms from an empirical perspective. Specific reference is made to structures, mechanisms, and the challenges relating to project oversight. The author aims to explore particular structures and mechanisms of oversight in municipalities and to uncover the challenges associated with their functioning within the context of municipal projects for service delivery.

For this purpose, Van der Walddt obtained the opinions and perceptions of senior officials and political representatives (i.e. councillors) in eight local and

four district municipalities in Gauteng, North West, Free State, Eastern Cape and Northern Cape provinces. The aim was to assess structures and mechanisms for overseeing projects.

According to the author, “It is evident that an adequate statutory and regulatory framework does exist to guide the establishment and functioning of such oversight structures and mechanisms. There are, however, significant challenges that still hamper effective utilisation of these means for project oversight”.

In **‘New Public Management (NPM) Principles in the Water Services: The City of Johannesburg’**, Dominique Uwizeyimana claims that it is often a combination of or one of the multifaceted New Public Management (NPM) principles that can be divided into two broad approaches; *privatisation* and *managerialism* when NPM is mentioned. In each country its dominant socio-economic, cultural and political context determines which elements of NPM principles are implemented. His article analyses the management of water services in the City of Johannesburg (CoJ), and shows that CoJ applied a combination of these approaches in terms of a Commercialisation and a Management Contract in the running of its water services between 2001 and 2006. He indicated that since the management contract was not renewed in 2006, only commercialisation has remained to this day.

This article analyses the available literature on the implementation of NPM principles and posed the following questions: What is the context of implementing NPM in developed and developing countries? How have NPM principles manifested themselves in developed and developing countries? How did NPM principles manifest themselves in the management and provision of water services in the CoJ? And finally: How have these NPM principles affected the management and provision of water services in the CoJ?

He found that the elements of NPM principles are still found in the management of the water services of the CoJ. His article also rejects the notion that NPM is declining and concludes that the implementation of the NPM principles has helped the service provider of CoJ to achieve some important objectives such as the reduction of Unaccounted for Water (UFW) and improved financial collection.

In **‘Conceptual and Process Variables Influencing the Measurement of Local Government Capacity Building’**, Sandra Greyling and Christelle Auriacombe focus on what measuring capacity building in local government entails. The article aims to provide insight into the main contextual and process variables that influence the measurement of local government capacity building.

The article provides background and a rationale to contextualise measuring/assessing capacity (not linked to performance planning). This is followed by an explanation of the need to evaluate local government performance. Conceptual

variables that are associated with measuring capacity building, such as indicators are explained.

According to the authors, municipalities need to be directed to draft relevant capacity building and results indicators to assist with collecting relevant data at all monitoring and evaluation and government levels, as well as to provide direction for the transformation of local government through capacity building and results.

As the article focuses on measuring/assessing certain benchmarks, the authors deal with certain measuring-based concepts and processes associated with measuring. Four types of indicators are identified when measuring local government capacity building, namely development, performance, differentiation and capacity indicators. Target demands, benchmarks, triggers and levers are also considered as conceptual and process variables influencing the measurement of local government capacity building. In conclusion, the authors discuss the design of capacity indicators in terms of the product, performance or outcomes, permanence and the sustainability issue and skills utilisation and productivity to provide more insight into the current status quo regarding government capacity building.

The relationship between donors and recipients of development funding is a complex one. In **'The Relationship between the Konrad Adenauer Stiftung in South Africa and its Recipients: 2006–2011'**, Nancy Msibi and Fanie Cloete state that, often, donor-recipient relationships are perceived as unequal. However, the authors highlight that the Konrad Adenauer Stiftung (KAS) refers to the recipients of its funding as partners within an equal relationship.

But is this, in fact, the case? The research attempts to determine what the nature of this relationship is, how the recipients perceive it and how it can be improved. According to the authors, the participating recipients of KAS in South Africa see their relationship with KAS as a partnership, not just a donor-recipient relationship. "Although there are some aspects of the partnership which they would like to see improved for the better they are generally satisfied. Recipients appreciate the donor engagement in their work".

Despite this positive relationship, there are certain challenges. The authors state that a lack of institutional funding is a critical issue for recipients of donor funding, not only KAS partners. "Donors must change from paying only for project expenses and include staff salaries as well. The projects cannot run on their own there is a need for human capacity to do the work," suggest the authors.

In conclusion, the authors state that donors in general and KAS in particular, must create space for recipients to voice their grievances or dissatisfaction. This can be done by having a proper monitoring and evaluation system in place. "Such a system will not only help to improve the relationship with recipients but

it will also help KAS to see if it achieves its objectives and targets,” according to the authors.

The Preamble to the South African Schools Act, 1996 (Act 84 of 1996) states that it is government’s goal to provide all learners with quality education. However, scholars and social commentators agree the public education system in South Africa (SA) is in crisis. Many of the commentators ascribe the situation to the underperformance of educators. In **‘Policy Implementation: The Case of the Department of Basic Education’s Teacher Laptop Initiative’**, Dominic Paris reports on a study which formatively evaluated what had happened during the implementation of the Teacher Laptop Initiative (TLI).

Prior to discussing the key findings of the study, Paris provides background on the TLI. The former Minister of Education, Ms Naledi Pandor had this policy gazetted in May 2009 with President Zuma (2009) stating, a month later, that this initiative had been introduced to motivate educators and to provide them with an aid to improve the quality of basic education. Educators would be granted an allowance to acquire an Information, Communication and Technology (ICT) package. However, a number of obstacles delayed the initial implementation in 2009, while evidence suggests that there are still obstacles causing further delays.

According to the author, the analysis study of the TLI was conducted within a qualitative research paradigm and the data was collected using the TLI policy document and purposive face-to-face interviews. The data was then analysed through the content analysis method. “The findings revealed that a number of policy design problems and implementation obstacles had hampered the TLI implementation,” he notes.

The study explored, through a formative evaluation, whether proper planning and policy design had been conducted to ensure the effective implementation of the TLI policy. A further objective of the study was to establish the obstacles that had contributed to the failure to implement the TLI policy.

According to the author, the TLI could have helped the country’s quality of education. “However, due to the incapacity of the Department of Basic Education (DBE), educators were denied this valuable resource that could have assisted them,” states the author.

Paris is of the opinion that the opportunity still exists to provide educators with this resource. “Although the implementation of the TLI failed, many lessons were learnt that can assist the DBE to achieve the aims set out in 2009. The DBE has the opportunity to review and evaluate the failed process and establish solutions that can address these shortcomings,” states the author. By doing this, the DBE will not only assist educators, but will also invest in improving the quality of education in South Africa.

In **‘Perceptions of staff regarding the implementation of the performance management system in the Botswana Public Service between 1999 and 2014’**,

Edgar Sisa, Johan van der Westhuizen and Goonasagree Naidoo explore the perceptions of implementing a performance management system in the Ministry of Foreign Affairs and International Cooperation in Botswana between 1999 and 2014.

Through a literature review and a mixed method design it became clear that the respondents to the study were generally negative about the implementation of a performance management system in the Ministry of Foreign Affairs and International Cooperation in Botswana due to, amongst others, inadequate financial and human resources and time allocated to the process in the Ministry.

The authors concluded that the Ministry of Foreign Affairs and International Cooperation in Botswana should strengthen institutional structures and information technology to facilitate a performance management system.

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A Public Management Perspective of Postgraduate Research Supervision

Selected Cases of Universities of Technology

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ABSTRACT

This article aims to undertake an improvement-oriented investigation into the current postgraduate supervision practices at a Department of Government Management at a university of technology in the Free State and a Department of Public Management and Economics at a university of technology in KwaZulu-Natal. Hence, the article aimed to investigate, analyse and understand the existing postgraduate supervision practices in these departments. The study was located within a qualitative research paradigm, where comparisons were drawn between the two departments. One of the core findings of the research was that a workload model for research supervision is lacking at both institutions and that postgraduate candidates in most instances lacked the core characteristics of successful postgraduate candidates. One of the recommendations is that the selection procedures for postgraduate intake be revised.

INTRODUCTION

Globally, including in South Africa, there is concern about the quality of postgraduate training at higher education institutions, the length of time it takes postgraduate students to complete their postgraduate studies, and the high percentage of students who terminate their studies (Ngcongco 2001:211; Rochford 2003:217; Van der Westhuizen and De Wet 2003:185). South African universities of technology, in particular, face numerous challenges in

respect of postgraduate supervision. Historically established to facilitate the theoretical aspects of apprentice education and training and the preparation of students for specific occupations, research and the supervision of postgraduate students was not necessarily their initial focus (Raju 2004:3). Research and the research supervision of postgraduate students were located in the realm of traditional universities that focus on education in and practice of pure and applied sciences, economics, law, social sciences, and the arts and humanities and the general side of the spectrum of vocational preparation (Samuel 2000; Chetty 2003). Today, the research supervision of postgraduate students is one of the core academic activities at universities of technology in South Africa. Postgraduate supervision does not only require academic and research skills from supervisors – they may also assume a variety of roles to support the postgraduate student from novice to an experienced researcher (Lessing 2011:921). Transformation, according to Olivier (2007:1128), gave access to students with a diversity of languages and background experience of research, which caused language barriers and skills incompetence, which in turn compounded the relationship between research supervisor and students. Lessing and Schulze (2003:159) contend that the successful completion of a dissertation is just as much a component of the intelligence and training of the student, as the ability of the supervisor.

The aim of this research is to ensure that where, in future, universities of technology (UoTs) offer postgraduate programmes in Public Management, that students with the capacity are trained and supported within an environment supportive of research. Therefore the core purpose of this study was to undertake an improvement-oriented investigation into the current postgraduate supervision practices at the Department of Government Management (UoT A) and the Department of Public Management and Economics (UoT B) and to identify possible improvement practices. To achieve this aim, the objectives were:

- To investigate, analyse and understand the existing postgraduate supervision practices at the selected departments.
- To identify the critical elements and best postgraduate supervisory practices from the perspective of research supervisors.
- To identify the best postgraduate supervisory practices from the perspective of postgraduate students.
- To suggest guidelines for effective and efficient postgraduate supervision practices at the selected departments.

The first section of the article focuses on a literature review framework in which postgraduate supervision in general is conceptualised. The discussion then shifts to the research methodology and procedures utilised in this improvement-oriented investigation into the supervision practices of the selected departments.

The last section of this article deals with action initiatives for postgraduate supervision at the selected departments.

THE NATURE OF POSTGRADUATE SUPERVISION

Whilst the study draws on the ideas and propositions developed by Van der Linde and Holtzhausen (2008:99), where the importance and complexity of postgraduate supervision are emphasised, it is important to note the work of scholars such as McCallin and Nayar (2012), Lues (2010), De Beer and Mason (2009), Lues and Lategan (2006), Brew and Peseta (2004) and Wessels (2008) on the topic of postgraduate supervision. This study will not dwell on the well-documented views expressed by the aforementioned authors. It will focus on contemporary thinking, which more appropriately underpins the core objective of this research endeavour. It is imperative to understand the role of the research supervisor, the postgraduate student and the role of the department/university in the postgraduate supervision process. According to Mouton (2001:17), the supervision of postgraduate research has four dimensions: the supervisor as adviser, the supervisor as expert guide, the supervisor as quality controller, and the supervisor as emotional and psychological supporter. At the heart of a successful supervision process is the quality of the relationship between student and supervisor. This relationship is perceived as a special, often quite private, pedagogical relationship between two or more adults. The main goals of supervision are central to academic culture, namely, the successful completion of a postgraduate candidate's research project and the formation of the student as a researcher (Grant and Graham 1999:79). However, the increasing workload of supervisors of postgraduate students threatens the quality of research and the training of future researchers (Deucher 2008). The role of the supervisor, according to Bitzer and Albertyn (2011:881) is complex and involves organisational/management, social, intellectual/cognitive and emotional aspects. Lessing (2011:923) contends that literature perused shows that a typical apprenticeship model of supervision indicates a large amount of time is spent on guiding and mentoring the postgraduate student on the research problem and the rationale for the research. This involvement entails assisting the student in activities such as:

- selecting a research topic and design;
- formulating a researchable research question;
- developing an understanding of the field of study;
- arriving at a research design;
- dividing the research into different phases;
- conducting a literature review;
- attending to administrative aspects by entering into a contract;

- holding regular meetings to give guidance;
- requiring reports and concept texts;
- specifying research tasks and performance standards;
- keeping minutes;
- determining deadlines and feedback;
- holding workshops on research; and
- reading papers and publications.

Students are thus gradually prepared to reach greater independence as the research progresses (Lessing 2011:923). The quality of postgraduate research supervision depends as much on the supervisor's ability to meet the needs of a student, as on the student's expectation of her or his own responsibilities in relation to those of the supervisor (Kam 1997:81). With regard to the expectations supervisors have of postgraduate students, Phillips and Pugh (2000), claim personal academic initiative is expected from students. Students should further claim ownerships of their studies (Zhao 2003; Christiansen and Slammert 2005). Postgraduate students on a doctoral level should no longer wait for the supervisor to tell them what to do, but should demonstrate initiative by requesting meetings, for example, and arguing in relation to what it is they ought to be learning.

The University of Otago (undated) advances the following as the 10 most important qualities an ideal postgraduate candidate should possess. These qualities stem from the results of a survey conducted with postgraduate supervisors at the university. The qualities are:

- Intelligence – which includes academic ability, intellect, brightness and common sense.
- Independence/confidence – qualities associated with independence were confidence, initiative and the ability to take responsibility.
- Commitment – to gain knowledge, to complete work or to do well.
- Literacy/numeracy – good writing and language skills and the ability to organise ideas.
- Time management/organisational skills – a student who is organised, can plan work, meet deadlines, pay attention to detail, and meet regularly with the supervisor. Such students have good study and work ethics.
- Curiosity/ability to learn – intellectual curiosity and the ability to learn new things.
- Enthusiasm and passion – a successful student is enthusiastic, passionate and has a deep interest in the subject or research.
- Ability to think – capacity to develop necessary research skills including the ability to analyse, synthesise, conceptualise, develop an argument and think critically.

- Hard working/diligent – strong work ethics, discipline, focus, efficiency and professionalism are key to successful study and research.
- Motivation – good research students are ambitious and highly motivated to learn new things and get a graduate degree.

Cornell University's College of Veterinary Medicine (2006) contends that the core characteristics of a successful postgraduate student are: passion for scholarship, self-motivation, intellectual curiosity, passion about the field of study, and willingness to work through repetitive protocols and difficulties. While the aforementioned characteristics allude to the qualities a postgraduate student should possess, the candidate has certain responsibilities, which include the mastering of specific skills, and the writing of a dissertation/thesis, where the application of knowledge and skills gained during the research process is required. The ability to evaluate and re-evaluate work is crucial in the light of current developments. The ultimate completion of a dissertation demonstrates a student's ability to research an intellectual problem and arrive at an appropriate conclusion independently (Lessing and Schulze 2003:160). At master's degree level in particular, the aforementioned authors maintain, students prefer a structured way of working and want supervisors to help them decide, for example, on due dates for the submission of chapters; here constructive criticism is required in the overall construction of the dissertation (Lessing and Schulze 2003:160).

James and Baldwin, as cited in the University of Pretoria's *Guidelines for Postgraduate Supervision* (2012:11) contend: "A catalyst in the progress of research students is the appropriate matching of student and supervisor/s". Lubbe, Worrall and Klopper (2005: 253–254) note, there needs to be a 'meeting of minds', based on a relationship of trust between student and supervisor in order for the student to tap into the expertise of the supervisor.

While the roles and responsibilities of the research supervisor and the characteristics of an ideal postgraduate student are crucial in the supervision process, the role of the institution poses imperative too.

The University of Waterloo (2011:3) in Canada perceives the department and faculty's role as central to the postgraduate research programme. The university insists that each department and faculty has written details on the role, composition and duties of the supervisor and the advisory committee. Departments and graduate officers in particular should provide adequate information to all graduate students on all aspects of the programme(s) admission requirements, funding, procedures and deadlines. Orientation sessions should be held to inform students of key policies related to intellectual property and integrity in research. Students should be informed in various ways of services available to them, particularly those dealing with sexual harassment, discrimination, special needs, and so on. Departments and graduate officers

are further required to evaluate the performance of supervisors of doctoral students every five years, to ensure that policies, procedures and regulations with respect to graduate programmes are accessible and adhered to. They must further ensure that departmental regulations for the selection of supervisors are consistent with university requirements, and communicate these regulations to potential supervisors and students (University of Waterloo 2011:3–4).

The next section outlines the research methodology employed to address the objectives formulated in the study.

RESEARCH METHODOLOGY

The research was conducted in a qualitative paradigm. Qualitative research can be described as an approach, rather than a particular design or set of techniques (Welman, Kruger and Mitchell 2005:188). It is an umbrella phrase covering an array of interpretive techniques which seek to describe, decode, translate, and otherwise come to terms with the meaning of naturally occurring phenomena in the social world (Van Maanen 1979). The researcher attempted to understand the nature of postgraduate Public Management programmes at two South African UoTs, and provides a subjective perspective of individuals, both research supervisors and master's and doctoral degree candidates, involved in the postgraduate programmes. Ethics clearance was obtained from the selected UoTs. The research thus follows a descriptive form of research. The research design takes the form of a comparative study, where similarities and differences between the UoTs are highlighted. A comparative study allowed for comparison of different theoretical viewpoints across different settings.

Data collection

In-depth interviews were conducted with postgraduate students (master's and doctoral candidates) (10 at UoTA out of a population of 13; and 3 at UoTB out of a population of 24) registered in the Public Management discipline for the 2013 academic year, as well as with postgraduate supervisors (4 at UoTA out of a population of 4; and 7 at UoTB out of a population of 12) at the selected departments. First a database containing the contact information of both postgraduate students and supervisors was constructed. The aforementioned contact information, as well as the total number of registered postgraduate candidates for the 2013 academic year, and the total number of research supervisors in the case study departments, was obtained from administrators employed in each department. An electronic invitation, followed up with a telephone call, was extended to all the participants on the database. Participation

was voluntary. Self-selection sampling was thus used, where individuals expressed their willingness to participate in the study (Welman *et al.* 2005:69). An information leaflet explaining the objective of the research, and ethical principles underpinning the study, was forwarded with the invitation. An in-depth interview was decided upon, as Nieuwenhuis (2007:87) contends that an interview, as a two-way conversation, in which the interviewer asks the participant questions; elicits valuable ideas, beliefs, views, opinions and behaviours of the participant.

Trustworthiness

Guba's model for trustworthiness, which addresses ways of reducing bias in results, was used, as it proved suitable for a similar study conducted by Lessing and Schulze (2003:162). This study used the following tactics: (1) two sets of interviews were conducted; (2) feedback was sought from participants where the meaning of statements was unclear; (3) sampling decisions were carefully made; (4) a tape recorder was used and the data was transcribed; (5) after the raw data was analysed, the Delphi-technique was used to ensure the reliability of information generated.

Data analysis

Content analysis, as a systematic approach to qualitative data analysis that identifies and summarises message content (Nieuwenhuis 2007:101) was used to analyse the data generated. It was used to analyse qualitative responses to open-ended questions posed during the interview. Content analysis is an inductive and iterative process where the researcher looks for similarities and differences in texts that will corroborate or disconfirm theoretical assumptions explored in the study (Nieuwenhuis 2007:101).

Data generated through interviews conducted with postgraduate supervisors was classified under the following broad themes:

- Effective postgraduate supervision
- Complexities in postgraduate supervision
- Challenges when mentoring and supervising postgraduate students
- Role of the student in the research supervision process
- Role of the postgraduate supervisor in the research supervision process
- Role of the university and department in the research supervision process
- Guidelines and support from the university in the research supervision process
- Characteristics of an ideal postgraduate supervisor
- Characteristics of an ideal postgraduate student from the perspective of the research supervisor

FINDINGS

The sections below report on the findings of interviews conducted with postgraduate supervisors and postgraduate students in the two departments at the UoTs under investigation:

Department of Government Management

Interviews with postgraduate supervisors

- **Effective postgraduate supervision:** When comparing the responses of research supervisors in respect of effective postgraduate supervision, the following pattern emerged: The research supervisors concurred that a postgraduate student should have the ability to articulate a research topic, and should take technical care in constructing the research proposal. If students were sufficiently interested in their research topics, they would persevere with their studies. The waiting period for feedback from the research supervisor to the postgraduate student took between three to four weeks, and regular engagement with the student was imperative. In essence, effective supervision was more focused on the ability of the student than the ability of the supervisor.
- **Complexities in postgraduate supervision:** Postgraduate supervisors mentioned that the postgraduate student should have the ability to self-select a topic and discuss its content in a confident manner. It was mentioned that 'international' students had the ability to articulate work and grasp the complexities of research methodology much better than their South African counterparts. Postgraduate supervisors complained that they were not allocated time for supervision and had to supervise in conjunction with a full teaching workload. Postgraduate students lacked writing skills and had a paucity of knowledge of the interpretation of legislation. Postgraduate supervisors felt supported by the head of the department.
- **Challenges faced when mentoring and supervising postgraduate students:** Postgraduate students lacked the ability to articulate and interpret a selected topic. Postgraduate students at times forced topics outside the realm of public management, into the public management discipline. Heavy teaching workloads where up to four subjects were taught in addition to supervision, posed a great challenge to postgraduate supervisors. There was general consensus that postgraduate supervision was time consuming and tiring.
- **Role of the student in the research supervision process:** Postgraduate supervisors concurred that postgraduate students should possess sound technical skills, for example, Harvard referencing techniques, and the ability to link and interpret legislation within the selected topic.

- **Role of the postgraduate supervisor in research supervision:** Postgraduate supervisors should be competent academics with the ability to assist and provide guidance on the selected research topic.
- **Role of the department and university in research supervision:** The departmental research committee approves research proposals, which in turn are forwarded to the faculty research committee for ratification. Thereafter the university research committee provides final approval. This committee also allocates funding. However, there is a lack of urgency around the approval of 'forms'. The departmental head is generally very supportive. However, the bureaucratic administrative processes hamper students' progress. The department should run more workshops to assist postgraduate students. Some students have sufficient financial support, while others have none.
- **Guidelines and support from the university in the research supervision process:** The university hosts regular research supervision workshops. The university is serious about research and the Dean of Research encourages growth in the postgraduate programme and an increase in research funding. The university requires publication in a Department of Higher Education and Training accredited journal, from each master's and doctoral thesis. A dedicated space for postgraduate students exists in the library, with an assigned subject librarian. The bureaucratic process to obtain research approval is, however, too complicated and hampers a student's progress as mentioned earlier, and deflates the postgraduate supervisor's morale.
- **Characteristics of an ideal postgraduate supervisor:** The postgraduate supervisors concurred that an ideal postgraduate supervisor should be sympathetic, a motivator, and a time-keeper (to assist postgraduate students to adhere to timeframes); should be available, provide clear guidance and sound information, and use his or her own experience as a postgraduate student as a guide to obviate similar problems in the current supervision endeavour.
- **Characteristics of an ideal postgraduate student:** Postgraduate supervisors agree that an ideal postgraduate student should be committed to his/her studies; have the ability to select a research topic independently; possess good writing skills; have technical skills, and the ability to use proper referencing techniques; have the ability to coherently structure and compile the thesis; and have public sector experience. However, postgraduate supervisors contend that the 'quality' of postgraduate students has deteriorated.

Interviews with postgraduate students

- **Characteristics of a postgraduate student:** All the postgraduate students interviewed indicated that they were intelligent, confident and independent,

were committed to their studies, had time management skills, were curious and always willing to learn and engage with their supervisors on their research topics. They had the ability to think independently and were hardworking individuals, with adequate literacy and numeracy skills, and were passionate about and enthusiastic to complete their studies successfully. A range of examples was provided to substantiate the aforementioned characteristics. Postgraduate students further reported that they were mature enough to undertake postgraduate studies and had a mix of public sector and academic experience. One student indicated that she was overwhelmed by the support she received from the head of department and the department as a whole. Another student described himself as a librarian with the inherent capacity to do research. As librarian he was able to articulate the link between knowledge and information dissemination as a daily task and to link its importance to good governance, that is, access to information and information dissemination. One student indicated that the only disadvantage he had was that he was Rwandan, and spoke French as his first language. The language of instruction at the UoT is English.

- **Supervisory scenario:** Of the three doctoral candidates, and four MTech students who participated in the study, the MTech candidates, also employed as junior lecturers in the department, reported on an ideal supervisory scenario as the research supervisors were all relatively accessible. All postgraduate students reported on regular meetings with research supervisors; research supervisors who had extensive knowledge of their areas of research; research supervisors who were hardworking, with great work ethics, a passion for the public sector, and who were great supporters and motivators. It was further reported that the research supervisor's drive was inspirational, and that research supervisors who gave timely feedback, and who were compassionate on occasion, were appreciated. All postgraduate students reported positive, highly functional relationships between research supervisors and the postgraduate students.
- **Infrastructural support:** Postgraduate students noted, however, that the library had limited and out-of-date information in some instances. They therefore had to rely on the Internet for most information. In relation to finance, the university's Innovation Fund covered most expenses, but students were responsible for registration fees. Workspaces were available for students. Sufficient workshops on all aspects of the research process were held. The Rwandan postgraduate student reported that he had to adjust and reformulate his research study to incorporate a South African perspective to source funding from his UoT. This had hampered his progress.
- **Difficulties experienced by postgraduate students:** Postgraduate students reported that it was very difficult to juggle work, family and student life. The

DTech candidates expressed a need for a peer group of doctoral scholars, where ideas and methodologies could be exchanged. The students indicated that they felt isolated and expressed the need to engage with peers. It was further reported that there were no funds available to attend conferences. No academic seminars were conducted. Students reported on lengthy administrative processes to get their research proposals approved.

Department of Public Management and Economics

Interviews with postgraduate research supervisors

- **Effective postgraduate supervision:** The research supervisors contended that knowledge and understanding of research methodology and a sound publishing record assisted in research supervision. Timely feedback, preferably within a week, was essential. A contract or memorandum of understanding should be concluded at the outset so that both student and research supervisor were clear about their roles in the supervision process. Face-to-face meetings were preferred, but at times electronic communication had to suffice if students lived in the far reaches of KwaZulu-Natal. Research supervisors agreed that they should stick to their foci of expertise, be good listeners, and clearly communicate their expectations to students and be passionate about research supervision. They also needed to anticipate what examiners would look for in the student's final research study.
- **Complexities in postgraduate supervision:** Research supervisors have been allocated from disciplines such as economics, information technology, and peace building to assist with the department's supervision endeavours. Complaints around supervision included: a lack of dynamic culture and dynamic people at the UoT; most of the information taught in the classrooms was obsolete; mediocre research was the result of out-of-date practices in the classrooms and a dearth of current information; supervision was very time consuming; there was a lack of proper research norms within the university; no clear workload policy existed at institutional or departmental level, which included postgraduate supervision; and no structural changes were effected after the technikon became a university of technology. One research supervisor stated: "UoTs punch above their weight". It was reported that the UoT's Project 500 targeted at MTech and DTech intake, had resulted in the admission of poor-quality postgraduate students. A huge proportion of these students it was claimed, did not conclude their studies successfully owing to a lack of skills, for example, students could not reference, lacked the ability to understand or implement research methodology principles, and lacked academic writing and reading skills. Students also lacked the ability to think critically. A research supervisor indicated that he used Sudoku, puzzles,

games and so on, to build systems theory capacity. Bureaucracy at university level further hampered the research project.

- **Challenges faced when mentoring and supervising postgraduate students:** Research methodology offered at BTech level proves inadequate in preparing the student for MTech studies. Students do not have proper grounding and will ask to be 'given' a topic to research. Students have to be taught research methodology again as if at undergraduate level, and this proves taxing. Some students attended very good schools and therefore their capacity to perform well was better and their work of a higher standard. The university should understand the pros and cons of accepting students from diverse academic/school/systems backgrounds. A research supervisor cautioned that a PhD was not just a test of intellect, but also a test of the character of the student, and here lies the true challenge.
- **Role of the student in the research supervision process:** Postgraduate supervisors concurred that some students exuded a sense of entitlement. While the role of the student was to read, write, exhibit passion, produce high-quality work and have knowledge of research methodology, suffice to say that postgraduate students did not always fulfil the role they need to play in the research supervision process.
- **Role of the postgraduate research supervisor in the supervision process:** Research supervisors concurred that students needed to construct a research plan, with a clear timeframe, and should be clear on what kind of assistance/support they would get, once in the field. As chapters were constructed, feedback was given at various stages. At the initial meeting between research supervisor and postgraduate student, which was usually informal, role clarification as it pertained to the role of the supervisor, the expectations of the supervisor, the responsibilities of the students, and so on, was discussed. Research supervisors sent regular reminders to students, and students in turn had to regularly report on progress. Regular engagement between the supervisor and the student was imperative.
- **Role of the department and university in research supervision:** It was reported that the departmental research committee was dysfunctional. Some academics in the department were committed to the postgraduate programme, while others did not read proposals and gave inadequate feedback. Collaboration at an intellectual level was absent. A collegial environment in which to discuss research was also lacking. The departmental research committee should vet proposals. Students were allowed to pre-register to construct the proposal (six months was allowed for this). Staff preferred to publish instead of supervising postgraduate students. Ethics clearance provided through various university structures proved tedious. The department conducted research workshops from time to time. The

department should revise its lecturing workload, with no more than six to eight postgraduate students assigned per supervisor.

University management calls for more and more enrolment of postgraduate students, yet does not understand the complexities pertaining to postgraduate supervision. It was suggested that the selection process of postgraduate students be reviewed. It was noted that the department did provide administrative support in the research supervision process, while the UoT provided financial support, accommodation and access to computers to its postgraduate students. A range of workshops, including research methodology theory and practice, proposal writing, and literature review, were available to all postgraduate students.

- **Guidelines and support from the university in the research supervision process:** The research supervisors reported that workshops on various issues pertaining to research supervision and research were conducted, but the timing of these was problematic. The university's 'research agenda' was disconnected from that of faculties and departments. There should be more engagement and collaboration on when and how workshops are structured. The academic perspective in respect of the research project of the university should be valued. Workshops, for example, are 'good to have's' but do not always add real value.
- **Characteristics of an ideal postgraduate research supervisor:** The postgraduate supervisors concurred that research supervisors should "want to supervise". They should have a sense of the complexity of people, know the strengths and weaknesses of each student and have a fair sense of how to deal with emotional dilemmas. The research supervisor should have sound negotiating skills, particularly around the readiness of a thesis for examination. Good listening skills are essential in research supervision and the research supervisor should have a reasonable knowledge of the public management discipline.
- **Characteristics of an ideal postgraduate student:** The research supervisors noted that all postgraduate students were in fulltime jobs, with families, and at the outset did not realise the commitment postgraduate studies would need. An ideal postgraduate student required passion; if passion were present, one research supervisor contended, research questions posed would be answered. The student should be able to clearly articulate the research he/she wished to explore. Students should have a clear understanding of research methodology, and have academic reading and writing skills, as well as technical skills, should be mature and committed, have a sound work ethic, set clear milestones, be willing to accept constructive criticism, be conversant with the relevant literature, and meet and abide by deadlines. A research supervisor reported that students registered for the MTech or

DTech qualification for the wrong reasons. Either they wanted to live in the university residence, or they were dependent on the financial grant they would receive. Such students remain in the university system and seldom complete the postgraduate programme.

Interviews with postgraduate students

- **Characteristics of a postgraduate student:** All the postgraduate students reported that they were intelligent, independent, confident, committed, curious, enthusiastic and passionate, had numeracy and literacy skills, had time management/organisational skills, were motivated and hard working, and provided practical examples as proof. Yet, examples given in some instances indicated the contrary. A student reported difficulty in balancing family, work and student life. Family took precedence and this impacted on time management as it related to his studies. English was the third language of this student, and extensive language editing assistance was required. Another student reported the same need. Students required guidance also in relation to research methodology.
- **Supervisory scenario:** Students reported that research supervisors served as mentors, advisors, subject experts, and research methodology experts; they provided regular constructive feedback and guidance, and motivated students at all times. Negative reports included supervisors who were not available to meet with students and who were not grounded in the discipline. Students indicated that supervisors should be trained to effectively and efficiently supervise students. A student reported that her supervisor did not assist her with research methodology and felt the supervisor should facilitate more training and workshops in this area. The student indicated that the department should take cognisance of the Department of Office Management, where research methodology was offered as a postgraduate subject. One student reported that her relationship with her supervisor had completely broken down owing to lack of feedback and engagement and that she had called on the Dean's intervention.
- **Infrastructural support:** One student reported that he received no financial assistance from the university, despite applying for funding. His research supervisor assisted him financially. Yet, financial support is available. Students receive a monthly stipend of R3 000. Supervisors substantiate the allocation of funding. Two letters of recommendation, one from the supervisor and one from the head of department, are required. Once approved, funds are disbursed as the research progresses. Students reported that the university's bureaucratic system hampered the progress of postgraduate students. The library has sufficient resources and has a demarcated area for postgraduate students with an assigned librarian.

Students can borrow laptops while working in the library. Sufficient technical assistance is received. In relation to accommodation, the research supervisor can recommend accommodation in a university residence. Accommodation is, however, subject to availability.

- **Difficulties experienced by postgraduate students:** One student suggested that the university assist during and after the completion of postgraduate studies. The student was still unemployed and wished to be employed as a tutor or lecturer in the public management programme. Students appealed that research supervisors not leave students depressed and stranded. Research supervisors should show commitment too.

CONCLUSIONS AND RECOMMENDATIONS

This section draws conclusions from the data generated in the previous sections. It is useful to make a comparative assessment between what transpired at the two UoTs in relation to postgraduate research supervision, specifically to learn lessons from experiences in general.

The following core conclusions were drawn:

In relation to postgraduate supervision at the selected departments at the two UoTs, there is a range of discrepancies. When referring to the UoTs in the discussion that follows, reference is made to the Department of Public Management and Economics at the one, and the Department of Government Studies at the other site of research, in particular, and not to the university as a whole. At UoTA the postgraduate student–postgraduate research supervisor ratio is much more manageable than at UoTB. At UoTB one research postgraduate supervisor, for example, is responsible for up to 25 DTech candidates. Yet the university is pushing the Project 500 endeavour, taking on board ill-equipped postgraduate candidates, further clogging the postgraduate programme. A feasible workload model that includes postgraduate supervision is absent in both departments. Most of UoTA's postgraduate students are employed in the department as junior lecturers. This facilitates easy access to research supervisors based in the department. At UoTB, research supervisors are sourced from other departments, for example IT and Economics. This poses a dilemma, as expertise in the area of the public management discipline, per se, may be lacking. At UoTB, students have to commute large distances to access supervisors, who at times do not honour meetings scheduled long in advance. Bureaucratic administrative processes throughout postgraduate students' research sojourn, hamper progress. This problem is evident at both universities. Research supervisors at UoTB in particular comment on students who do not have the ability to articulate a research topic, have no sound academic writing

skills, are unable to practically apply research methodology techniques, and are analytically very poor. UoTA seems to have enrolled students who have the capacity to undertake postgraduate studies, and who espouse the characteristics of the ideal postgraduate student as noted by the University of Otago (undated). Postgraduate students at UoTB in turn, complain about the lack of timely and constructive feedback. All postgraduate students claim to possess the characteristics of an ideal postgraduate student, however, the perceptions of postgraduate supervisors differ.

Based on the research and the difficulties both postgraduate students and postgraduate research supervisors articulated, the following recommendations are made as strategies for improved postgraduate supervision practices at UoTA and UoTB.

Both universities should revise their selection procedures for postgraduate students. The characteristics of an ideal postgraduate student (University of Otago undated) should be taken as a guide for assessment. Each characteristic should be tested in a practical way. This recommendation concurs with Olivier's (2007:1139) work that suggests that if an appropriate selection procedure is applied, and the right student enrolled, future stagnation is prevented and problems with progress, disappointment and conflict are stifled.

It should be compulsory for postgraduate students to attend critical thinking, problem solving, time management, conceptualisation, research methodology and academic writing skills courses or workshops. Wisker (2005:5), as quoted in Olivier (2007:1137) contends that the research supervisor should realise that postgraduate students will need support with the aforementioned, very specific skills sets for their studies. Therefore attendance of these courses/workshops should be compulsory.

It is recommended that the higher degrees processes be revised to accelerate postgraduate studies. Instead of having a central higher degrees research committee meeting each quarter, for example, such meetings should be conducted every two months, or every month where possible. Departmental research committees should play a more active role in the evaluation of higher degree committee documentation and the revision of research proposals.

Both universities should revise their workload models. Workload formulas should recognise research supervision as a core activity of an academic. In cases where postgraduate supervisors are supervising more than six postgraduate students, for example, they cannot be expected to hold a full teaching workload. This practice undermines the postgraduate supervision process.

It is recommended that only academics who are passionate about research supervision, and who want to undertake supervision, should be charged with this duty. Some academics prefer to be sound and committed teachers, and have little interest in research supervision. This aspect is rarely respected.

Where research supervisors are passionate about research supervision, timeous feedback is usually given to the postgraduate student. Dillon and Mallot (1981:195) recommend that the supervisor should provide structured supervision and guidance in the form of regular (weekly) consultation meetings. A supervisory system with five components was designed by the authors and includes: specifying research tasks and performance standards, meetings with the supervisor, negotiating deadlines, giving feedback and providing incentives.

It was found that this system produced a greater output of graduates in a shorter time period than traditional supervisory approaches.

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Income Redistribution through Government Expenditure and Taxes in South Africa

An evaluation

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ABSTRACT

Income distribution in South Africa is among the most skewed in the world. It is therefore accepted that the authorities must play a larger role, through their spending, in lessening the income gap between the various population groups (Black, Calitz and Steenkamp 1999:46). The National Treasury of South Africa has developed one revenue sharing formula for provinces and one for municipalities. This article aims to measure the redistributive consequences of government spending by province and municipality by comparing the collective taxes paid by individuals in a province to the Treasury and the money spent by the Treasury on each individual by province. This article also suggests that the so-called 'richer' provinces in South Africa received proportionally less from the government than the so-called 'poorer' provinces. This statement holds true for both a 'narrow' and 'wide' definition of taxes. Income differentials amongst population groups inter-provincially and by province were vastly reduced by the application of these formulae. This means that the National Treasury, through its revenue sharing formulae, is addressing the problem of population group income inequality in South Africa.

INTRODUCTION

Income distribution in South Africa stays amongst the most skewed in the world. The Gini coefficient for South Africa was measured at 6,1 in 1993 and it

had deteriorated to 6,4 by 2009. Compared to the rest of the world this makes for serious inequality. For example Brazil, also a country with serious income inequality problems according to international norms, was measured at 6,0 in 1993 and then it improved to 5,4 by 2009 (www.indexmundi.com/facts/indicators/SI.POV.GINI/).

Since 1994 the South African government has tried, by various amendments to its Reconstruction and Development Programme, to redistribute income to the poor through the budget and various other methods. These include long-term education goals to empower the poor and to extricate them from poverty. It is therefore accepted that in South Africa the government must play a larger role, through its spending, to lessen the income gap between the various population groups (Black *et al.* 1999:47).

The redistributive consequences of government spending by province and municipality can be measured by comparing the collective taxes paid by individuals in a province to the Treasury and the money spent by the Treasury on each individual by province. In the first section of this article only income tax payments by individuals by province are taken into consideration. In the second section, income tax payments are broadened to include fuel levy payments as well as Value Added Tax (VAT) payments by individuals in each province.

In the first section of our analysis a so-called welfare budget is constructed and in the second section a tax burden analysis is made. The reason for the 'tax burden analysis' is that it should give a broader insight into the burden the National Treasury places on individuals as they extract more than one kind of tax from them, and then compare it to what they receive back in terms of government expenditure.

The National Treasury facilitates the *Division of Revenue Act 7 of 2003* (DORA), which provides for an equitable distribution of nationally raised revenue between national, provincial and local government and monitors the implementation of provincial budgets (DORA 2003). Provinces generate only between two and six per cent of their own tax income (National Treasury 2000, 2001, 2002). On the other hand, the bulk of budgeted municipal revenue (92 per cent) is derived from their own taxes and user charges. The remaining 8 per cent of municipal revenue comes from transfers from national government (National Treasury 2002).

THE WELFARE BUDGET

In an economic context, welfare can be defined as 'the quantity of goods and services that are at the disposal of the economic subject or the inhabitants of a country' (Stapelberg and Steyn 1986:27). What is important though is that a household's welfare in terms of the consumption of goods and services depends

not only upon the personal incomes of members, but also on the taxation and the spending of government. Income inequalities in South Africa accentuate the role of the budget in inducing a redistribution of income.

McGrath, Janisch & Horne (1997:1) define the welfare budget and the purpose for which it is used, as follows:

“The welfare budget is a statement of expenditure on different forms of social services and the income to finance them, and welfare budgets are used to study the effects of government taxation and expenditures on income distribution, and can shed light on the extent to which government is inducing a redistribution of income”.

The welfare budget must not be confused with only the budgetary appropriations of the national and provincial departments of Social Development – which provide social security and other services to the inhabitants of a country. These are included in total government expenditure.

According to Van den Berg (1998:3) welfare can be calculated by expressing welfare (W) in terms of secondary income. Secondary income consists of primary income (Y) less direct taxation (T) plus the consumption of government services (G). [$W = \text{secondary income} = (Y - T + G)$.] A change in welfare therefore is equal to a change in secondary income [$\Delta W = \Delta \text{secondary income} = \Delta (Y - T + G)$]. For the purposes of this research the real welfare for the 1994 fiscal year by province is compared with the real welfare in 2002 and 2007.

For purposes of a provincial welfare analysis, primary income (Y) embodies the real primary personal *per capita* income of all the inhabitants in each province. Direct taxation (T) represents real personal *per capita* income tax payments that a province generates through its inhabitants and that is collected by the central government. Provinces’ consumption of government services (G) includes the consumption of government services by inhabitants within the boundaries of a province as supplied by the provincial authority itself, as well as the consumption of government services by inhabitants as supplied by the central government in a province.

As mentioned, welfare can be expressed in terms of secondary income. The first step in calculating secondary income requires the calculation of the real primary personal *per capita* income of provinces in South Africa. Primary personal income is defined as current income in cash and in kind earned or received from all sources by the inhabitants of an area, including transfers from government bodies and businesses and net transfers from persons living in other areas (Bureau of Market Research 2006:1).

Therefore, the second step in compiling a welfare budget is to calculate the real personal *per capita* income tax paid to the treasury by each province.

Income tax payments are generated within the boundaries of a province and collected by the central government. Provincial taxes that are generated within the boundaries of each province, but collected nationally, also include VAT payments and fuel levies (Department of Finance 1994:9). For purposes of this article, all these tax payments are eventually considered.

Funds collected by the provinces themselves are known as own funds and come from sources such as hospital services, gambling taxes and income generated by the *Road Transportation Act 74 of 1977*. Own funds represent between two and six per cent of the total funds generated by provinces. These funds are not paid over to the central government, but are applied for own use (National Treasury 2000; National Treasury 2001; Department of Finance 1994).

The calculation of personal income tax by province requires, amongst others, that personal income tax be written back between provinces. Personal income tax generated by one province, but collected by another, has to be written back. For example, Gauteng receives income tax payments that were generated by the Free State mines. This must be written back and allocated to the Free State (Department of Finance 1994:10).

Real *per capita* consumption of government services by province is largely financed by the central government. Provinces generate only between two and six per cent of their own income. The consumption of government services includes the consumption of government services within the boundaries of a province as well as the consumption of government services by the central government in a province.

As far as the consumption of government services by provinces is concerned, section 227(1) (a) of the *Constitution of the Republic of South Africa 1996*, stipulates that each province is entitled to its fair share of the national collected income. Visser and Erasmus (2002:263) define fairness in this regard as follows:

“Equity implies fairness, justice and impartiality, also serving as a moral virtue, moderating and reforming the hardness of economic forces and acting as a yardstick for redressing existing maldistribution of income, economic development, and equal opportunities”.

The *Constitution of the Republic of South Africa, 1996* provides for a mechanism for the distribution of nationally raised revenue to provincial and municipal authorities. The Financial and Fiscal Commission was formed, among others, to advise the national and provincial governments in this respect (Cameron and Stone 1995:68). Together they developed norms for the allocation of central government funds to the provinces and municipalities.

Funding is granted by the central authorities through equitable share allocations and conditional grants to provinces and municipalities. Conditional grants to provinces are administered by seven departments. Allocations are made to provinces for agriculture to promote the sustainable use and management of natural resources. Allocations to provinces are also made for housing, education, grants for capacity building of local municipal and infrastructure service and expansion, for social development, for example child support grants, and HIV and Aids community based-care. Allocations to provinces for health purposes comprise a comprehensive HIV and Aids grant, a hospital revitalisation grant, a national tertiary service grant, a health professional training and development grant, a primary school nutrition programme and a hospital management and quality improvement grant (National Treasury 2002). These allocations represent approximately 10 per cent of the total allocations to provinces.

The remaining 90 per cent is calculated according to, as was mentioned before, an equitable share formula. 'The equitable share formula comprises seven components or indices of relative demand for services between provinces and takes into account particular provincial circumstances' (National Treasury 2004). Of the total budgeted formula, 41 per cent goes to education, 19 per cent to health, 18 per cent to social welfare, a seven per cent basic share, a seven per cent share for economic activity based on the Gross Domestic Product by region, an institutional component of five per cent divided equally amongst the provinces and finally a three per cent backlog component based on the distribution of capital needs, captured in the schools register of needs, audit of hospital facilities and the distribution of the rural population.

The bulk of budgeted municipal revenue (92 per cent) is derived from their own taxes and user charges. The remaining 8 per cent of municipal revenue comes from transfers from national government (National Treasury 2002). These transfers to local governments from nationally raised revenue take two forms – unconditional grants, which include an equitable share grant, and a water operating grant (National Treasury 2002).

Looking at the consumption of government services by the central government in the provinces, consumption is based on the size of the population. These items include defence services, administrative services and economic services (National Treasury 2002). These expenditure items are not taken into account by the National Treasury when it allocates funds to provinces. During a discussion with Mr K Naidoo, Director Budget Office Expenditure Planning of the National Treasury on 26 March 2003, it was made clear that the National Treasury had no intention of taking these expenditure items into account. They fully rely on the revenue sharing formulae for provinces and municipalities to redistribute income equitably.

Table 1: Changes in real net income (welfare) of provinces from those provinces that benefited the most to the least for the fiscal years 1994, 2002 and 2007

Province	1994	2002	2007
Eastern Cape	2	2	2
Free State	7	-8	-7
Gauteng	9	4	4
Kwazulu-Natal	4	1	1
Mpumalanga	5	-5	5
North-Western Province	3	-6	-6
Northern Cape	5	-9	-9
Limpopo	1	3	3
Western Cape	8	-6	-7

Source: (Appendix 1)

Changes in real welfare by province

In Appendix 1 changes in the real welfare of provinces are calculated by subtracting provincial taxes from provincial income and then adding government transfers to the remaining provincial income. Table 1 is a summary thereof. For all three periods under scrutiny (Table 1), the majority of provinces benefited from net government transfers (government transfers minus taxes).

In 1994 all nine provinces benefited. In 2002 five provinces paid more in taxes than they received back in terms of government expenditure. They include the Free State, Mpumalanga, the North West Province, the Northern Cape and finally the Western Cape. In 2007, except for Mpumalanga, the remaining four provinces again recorded negative gains. The Northern Cape, Free State and Western Cape seem to be the provinces faring the worst.

For the majority of the three periods under scrutiny the provinces gaining the most from government expenditure were Kwazulu-Natal, the Eastern Cape and Limpopo. These welfare gains or losses by province also had a profound effect on population groups in those provinces.

Changes in real welfare by population group

In order to discuss changes in real welfare by population group, the first step is to analyse the personal income of the different population groups in the country.

Real personal income by population group

In Appendix 2, the real primary personal income *per capita* by province and population group is illustrated. Table 2 illustrates the *real per capita* income inequalities as derived from this Appendix.

Table 2: Real personal income per capita inequalities by population group in provinces for the years 1994, 2002 and 2007

Population group	Year 1994		Year 2002		Year 2007	
	Lowest province	Highest province	Lowest province	Highest province	Lowest province	Highest province
Whites	Eastern Cape	Gauteng	Northern Cape	Gauteng	Limpopo	Gauteng
Income	R 24 164	R36 851	R58 853	R80 551	R77 016	R116 132
Asians	Kwa-Natal	OVS	Kwa/Natal	Northern Cape	Kwa/Natal	Gauteng
Income	R9 656	R 24 570	R 28 928	R 56 880	R43 709	R74 682
Coloured	Northern Cape	Gauteng	North/West	Gauteng	North/West	Gauteng
Income	R3 630	R14 004	R9 551	R 27 416	R14 163	R40 828
Africans	Eastern Cape	Gauteng	Eastern Cape	Gauteng	Eastern Cape	Gauteng
Income	R2 049	R8 813	R6 245	R17 948	R10 161	R 25 762

Source: (Calculated with the aid of Appendix 2)

With the exception of Asians in 1994 and 2002, all the population groups in Gauteng earned the most for all three periods under scrutiny. Africans earned the least in the Eastern Cape, Asians the least in Kwazulu-Natal, Coloureds in North West Province and Whites firstly in the Eastern Cape, then in 2002 the Northern Cape and in 2007 the Limpopo Province. From Table 2 it is clear that vast income differences still exist amongst population groups. Whites' real personal income *per capita* was the highest for all three periods, followed by Asians then Coloureds and finally Africans. Taking into consideration the income differentials amongst population groups, it could be expected that Whites would pay the higher tax rates.

Income tax distribution by population group

In Appendix 4 the real personal income tax *per capita* by population group and by province is illustrated. The income tax inequalities by population group

and province are set out in Table 3. Of all provinces Whites and Blacks from Gauteng paid, in terms of population groups, the highest taxes during all three terms of this review. Asians in Kwazulu-Natal paid the least taxes during these three terms. Coloureds on average paid the least *per capita* taxes in the North West Province, Africans the least in the Eastern Cape in 2007, Limpopo in 2002 and Mpumalanga in 1994. Whites real *per capita* taxes are the largest for all three periods followed by Asians then Coloureds and finally Blacks. This replicates income differentials amongst population groups.

Table 3: Real personal income tax per capita inequalities by race by province for the years 1994, 2002 and 2007

Population group	Year 1994		Year 2002		Year 2007	
	Lowest province	Highest province	Lowest province	Highest province	Lowest province	Highest province
Whites	Mpumalanga	Gauteng	Northern Cape	Gauteng	Mpumalanga	Gauteng
Income tax	R3 504	R8 418	R11 462	R15 688	R14 502	R20 682
Asians	Kwa-Natal	Free State	Kwa-Natal	Northern Cape	Kwa-Natal	Northern Cape
Income tax	R1 004	R6 370	R3 881	R11 078	R7 794	R14 502
Coloured	Northern Cape	Gauteng	North West	Gauteng	North West	Gauteng
Income tax	R216	R1 282	R693	R3 678	R1 458	R6 887
Africans	Mpumalanga	Gauteng	Limpopo	Gauteng	Eastern Cape	Gauteng
Income tax	R62	R282	R487	R1 320	R689	R3 547

Source: (Appendix 4)

All taxes were paid to the South African Revenue Services (SARS) and re-channelled by the National Treasury as government expenditure. It is important to note that in the first analysis only personal income tax payments are taken into consideration. The benefits reaped by each population group through government expenditure will now be analysed.

Real *per capita* government expenditure by population group

In 1994 real *per capita* government expenditure on all population groups was the highest in the Western Cape and the Northern Cape, and the lowest in Limpopo and Mpumalanga (Table 4). In 2002 the government's expenditure patterns

Table 4: Real per capita government expenditure inequalities by province and population group for the years 1994, 2002 and 2007

	Africans	Asians	Coloureds	Whites
1994				
Eastern Cape (4) Expenditure	4 012	4 012	4 012	4 012
Free State (5) Expenditure	3 936	3 936	3 936	3 936
Gauteng (3) Expenditure	4 161	4 161	4 161	4 161
Kwazulu-Natal (6) Expenditure	3 893	3 893	3 893	3 893
Mpumalanga (8) Expenditure	3 674	3 674	3 674	3 674
North West (7) Expenditure	3 790	3 790	3 790	3 790
Northern Cape (2) Expenditure	4 351	4 351	4 351	4 351
Limpopo (9) Expenditure	3 647	3 647	3 647	3 647
Western Cape (1) Expenditure	4 709	4 709	4 709	4 709
2002				
Eastern Cape (3) Expenditure	6 697	6 697	6 697	6 697
Free State (8) Expenditure	1 174	1 174	1 174	1 174
Gauteng (2) Expenditure	8 880	8 880	8 880	8 880
Kwazulu-Natal (1) Expenditure	11 516	11 516	11 516	11 516
Mpumalanga (6) Expenditure	1 351	1 351	1 351	1 351
North West (7) Expenditure	1 225	1 225	1 225	1 225
Northern Cape (9) Expenditure	376	376	376	376
Limpopo (4) Expenditure	3 343	3 343	3 343	3 343
Western Cape (5) Expenditure	2 386	2 386	2 386	2 386
2007				
Eastern Cape (3) Expenditure	10 819	10 819	10 819	10 819
Free State (8) Expenditure	1 828	1 828	1 828	1 828
Gauteng (2) Expenditure	16 407	16 407	16 407	16 407
Kwazulu-Natal (1) Expenditure	19 444	19 444	19 444	19 444
Mpumalanga (6) Expenditure	2 936	2 936	2 936	2 936
North West (7) Expenditure	2 337	2 337	2 337	2 337
Northern Cape (9) Expenditure	277	277	277	277
Limpopo (4) Expenditure	5 993	5 993	5 993	5 993
Western Cape (5) Expenditure	3 940	3 940	3 940	3 940

Source: (Appendix 5)

changed, favouring Kwazulu-Natal firstly and thereafter Gauteng. The Western Cape fell from first place to fifth place in 2002 and 2007. The least favoured provinces in 2002 and 2007 were the Northern Cape and the Free State. In 2007 the most favoured provinces were again Kwazulu-Natal and Gauteng. The least favoured provinces were again the Northern Cape and Free State.

By taking into consideration the personal income of population groups, the taxes they pay and benefits they receive through government expenditure, the net real income *per capita* by population group can be calculated.

Income gains by government expenditure and taxes

Income gains through government expenditure and taxes show, according to Table 5, that Whites in all three periods under scrutiny, with one exception, paid more taxes than they received back in terms of government expenditure. In 1994 the biggest losers, in terms of welfare gains, were Whites in Gauteng and Kwazulu-Natal. In 2002 Whites in the Northern Cape, Free State and North West Province lost the most through government expenditure and taxes. This is also true for 2007. Except for Asians in the Free State, Asians in all provinces benefited from government expenditure and taxes in 1994, especially those Asians in Kwazulu-Natal. This is also true for the years 2002 and 2007. Asians in the Northern Cape, Free State and Mpumalanga fared the worst during all three periods.

For the Coloured people by province, most benefited through government expenditure and taxes. Coloured people fared worst in the Northern Cape. In 2002 and 2007 they paid more taxes than they received back in terms of government expenditure. Coloureds in the Eastern Cape seem to have benefited the most through government expenditure.

Blacks in the Northern Cape did not really benefit from government expenditure. This is true for the years 2002 and 2007. Blacks in Kwazulu-Natal benefited the most through government expenditure and taxes, followed by Blacks in the Eastern Cape and Limpopo provinces.

What is also important to know is to what extent these welfare changes brought about income equality by population group and by province.

Income changes and population group equity

The figures in Table 6 depict the real personal income differentials between population groups by province after the implementation of the revenue sharing formulae. The figures in brackets depict the real personal income differentials before the revenue sharing formulae were implemented. From Table 6 it is clear that income differentials by population group by province drastically declined after government expenditure and taxes were taken into consideration. For instance

Table 5: Percentage change in real welfare of race groups by province for the fiscal years 1994, 2002 and 2007

Province	Whites	Asians	Coloureds	Africans
1994				
Eastern Cape	-0,3	7	62	192
Free state	-3,0	-10	62	97
Gauteng	-12,0	9	21	44
Kwazulu-Natal	-12	30	21	44
Mpumalanga	-4	5	21	106
North West	-1	11	43	135
Northern Cape	2	20	114	83
Limpopo	-4	24	56	72
Western Cape	-4	24	56	72
2002				
Eastern Cape	-9	2	52	100
Free state	-18	-11	2	6
Gauteng	-9	2	19	42
Kwazulu-Natal	-4	26	38	149
Mpumalanga	-17	-13	-7	7
North West	-18	-12	6	5
Northern Cape	-19	-19	-4	-3
Limpopo	-14	-8	15	43
Western Cape	-16	-10	8	13
2007				
Eastern Cape	-8	-5	54	100
Free state	-18	-17	3	7
Gauteng	-4	3	23	50
Kwazulu-Natal	-1	27	46	168
Mpumalanga	-12	-16	4	14
North West	-17	-16	6	4
Northern Cape	-19	-20	-9	-4
Limpopo	-11	-11	18	48
Western Cape	-16	-14	10	15

Source: (Calculated with the aid of Appendix 6)

Table 6: Inter racial group equalisation by province as a result of the revenue sharing formulae

Real net per capita income	Africans	Asians	Coloureds	Whites
Eastern Cape				
1994	1	3,6 (10)	1,6 (3)	4,0 (12)
2002	1	3,7 (7)	1,4 (2)	4,5 (10)
2007	1	3,2 (6,6)	1,4 (2)	4 (8,7)
Free State				
1994	1	2,9 (6)	1,2 (1,5)	3,6 (7)
2002	1	4 (5)	1,2 (1,5)	5,3 (7)
2007	1	4 (5,3)	1,2 (1,3)	4 (5,0)
Gauteng				
1994	1	2 (2)	1 (1,5)	3 (4)
2002	1	2,1 (2,8)	1,3 (1,5)	2,9 (4,5)
2007	1	2 (3)	1,4 (1,5)	3,3 (4,5)
Kwazulu-Natal				
1994	1	2,0 (4)	3 (4)	5 (12)
2002	1	2 (4)	1,7 (3)	3,8 (10)
2007	1	2,3 (4)	2 (3)	5 (9,4)
Limpopo				
1994	1	2,7 (5)	2 (4)	3,7 (8)
2002	1	3,6 (5)	1,6 (2,3)	5 (6,7)
2007	1	4 (5,2)	2,2 (2,4)	5,7 (7,4)
Mpumalanga				
1994	1	2,7 (5)	2,3 (4)	3,8 (8)
2002	1	3,1 (5)	1,7 (2)	3,8 (7)
2007	1	3 (5)	2 (2)	4,2 (7)
North West				
1994	1	2,7 (6)	1,7 (3)	3,8 (9)
2002	1	2,5 (4)	1 (1)	3,6 (6)
2007	1	2,5 (4)	1 (0,8)	3 (5)
Northern Cape				
1994	1	1,7 (2)	0,8 (0,8)	2,8 (4)
2002	1	3,4 (6)	1,2 (1,2)	3,5 (6)
2007	1	3 (5)	1,4 (1,6)	4,6 (7)
Western Cape				
1994	1	1,5 (2)	1,1 (1)	2,8 (5)
2002	1	2,4 (3)	1,2 (1,3)	3,7 (6)
2007	1	2,3 (3,5)	1(1,3)	3,6 (6)

Source: (Appendix 6)

in 2002 Whites earned 10 times more than Blacks in the Eastern Cape. After the application of the revenue sharing formulae they earned 4,5 times more in 2002 and four times more in 2007 (figures not in brackets). The provinces where income differentials amongst population groups are the smallest after the implementation of the revenue sharing formulae are Gauteng, the Western Cape and the North West Province, where Whites on average earned three times more than Blacks.

In Gauteng and some other provinces, the income differentials after the application of the revenue sharing formulae actually increased from 2002 to 2007. In 2002 Whites earned 2,9 times more than Blacks after the application of the revenue sharing formulae, but in 2007 it was 3,3 times more. Kwazulu-Natal also showed an increase from 1 to 3,8, Limpopo from 5 to 5,7, Mpumalanga 3,8 to 4,2 and the Northern Cape 3,5 to 4,6. This points to, amongst others, a more restrictive fiscal expansion during the fiscal years 2006/07 and 2007/08 when the government produced surpluses on its budget.

The population group disparity in the Western Cape after taxes and expenditure stayed more or less the same for all the population groups for the periods 2002 and 2007. The smallest income differentials between Whites and Blacks after taxes and expenditure are in the North West Province, followed by Gauteng and the Western Cape. The largest disparities by province are the Limpopo Province followed by Kwazulu-Natal and the Northern Cape.

A TAX BURDEN ANALYSIS

The reason for the 'tax burden analysis' is that it should give broader insight regarding the burden the National Treasury places on individuals as they extract more than one kind of tax from them.

Redefining taxes paid

In Table 7 fuel levies as well as VAT payments are added to tax payments by province and by population group and headed under real other taxes. From Table 7 it is clear that 'real other taxes' have a considerable impact on the total real *per capita* taxes paid by province and population group. In the majority of provinces real other taxes exceeded real income tax payments. This is especially true for provinces like the Northern Cape and the Free State.

Income gains by government expenditure and taxes

According to Table 8 the general pattern of income redistribution by province is minimally disturbed by the broader definition of taxes. The Limpopo province,

Table 7: Real income tax, fuel levy and value added tax per capita paid by provinces

Province	Real income tax (1)	Real other taxes (2)	Real total per capita taxes paid
1994			
Eastern Cape	172	251	423
Free State	345	1 123	1 468
Gauteng	2 656	1 132	3 788
Kwazulu-Natal	377	343	720
Mpumalanga	311	1 381	1 692
North West	158	726	884
Northern Cape	350	3 471	3 821
Limpopo	50	192	242
Western Cape	1 381	1 357	2 738
2002			
Eastern Cape	1 072	733	1 805
Free State	1 636	2 449	4 085
Gauteng	3 542	2 072	5 614
Kwazulu-Natal	1 467	846	2 313
Mpumalanga	1 520	2 804	4 324
North West	1 444	2 038	3 482
Northern Cape	1 944	9 071	11 015
Limpopo	868	847	1 715
Western Cape	2 961	3 100	6 061
2007			
Eastern Cape	1 616	967	2 583
Free State	2 953	4 078	7 031
Gauteng	7 682	2 756	10 438
Kwazulu-Natal	2 739	1 143	3 882
Mpumalanga	2 608	3 599	6 207
North West	2 997	3 641	6 638
Northern Cape	2 934	12 005	14 939
Limpopo	1 160	1 510	2 670
Western Cape	5 765	4 876	10 641

Source: (Appendix 8)

Table 8: Net real income per capita gains by provinces for the fiscal years 1994, 2002 and 2007

Province	Net income smallest to highest	Benefited the most to the least (1)	Benefited the most to the least (2)
1994			
Eastern Cape	2	2	2
Free State	6	7	5
Gauteng	9	9	9
Kwazulu-Natal	4	4	3
Mpumalanga	5	5	6
North West	3	3	3
Northern Cape	7	5	8
Limpopo	1	1	1
Western Cape	8	8	7
2002			
Eastern Cape	2	2	2
Free State	6	7	6
Gauteng	9	9	8
Kwazulu-Natal	4	5	3
Mpumalanga	3	3	5
North West	5	6	4
Northern Cape	7	3	9
Limpopo	1	1	1
Western Cape	8	8	7
2007			
Eastern Cape	2	2	2
Free State	6	5	6
Gauteng	9	9	7
Kwazulu-Natal	5	4	3
Mpumalanga	4	3	4
North West	7	6	5
Northern Cape	3	8	9
Limpopo	1	1	1
Western Cape	8	7	8
(1) Only income tax taken into consideration. (2) All taxes taken into consideration.			

Source: (Appendix 9)

with the smallest net income, benefited the most by government expenditure and taxes notwithstanding the tax definition used. This is also true for the second poorest province, the Eastern Cape. The highest earning provinces, Gauteng and the Western Cape, on average benefited the least notwithstanding the definition of taxes used. In 2007 the Northern Cape's share of government expenditure was relatively much smaller than it should have been, and Kwazulu-Natal received relatively more than they should have. The conclusion can therefore be made that the pattern of income redistribution to population groups by province is minimally disturbed by the wider definition of taxes.

CONCLUSION

In general it could be said that the revenue sharing formulae did what it was designed to do: that is redistribute income from 'richer' provinces to 'poorer' provinces and as a result of this income was redistributed from relatively higher income earners by province to relatively lower income earners nationwide. Some provinces seem to have received relatively more than they should have in one period of time and then in the next relatively less. On average therefore provinces seem to have received more or less what they should have. The most problematic province seems to be the Northern Cape. This province did not receive its fair share of government expenditure during the periods of measurement. This could be subscribed to, amongst others, the relatively very high real total *per capita* taxes they kept on paying. For instance in 2007 their income was the third smallest, but they benefited the least from government expenditure and taxes (Table 8).

This article thus concludes that given the implementation constraints facing most of the provinces, the national government, through its revenue sharing formulae, seems to have addressed the problem of population group income inequality through government expenditure and taxes.

Secondly, the order of real personal primary *per capita* income differences by province has stayed more or less the same for the past thirteen years. The income differences amongst provinces therefore remain deeply embedded and not much improvement has taken place since 1994 (Appendix 1). The same could therefore be said of primary income differentials amongst population groups inter-provincially and nationally.

Thirdly, and as a result of these deeply embedded income differences, the so called 'poorer' provinces were, and still are, in need of a sustained programme of development. This still seems to be true even after a period of 13 years of programmes of development. Clearly, therefore, the development programmes in some needy provinces are not bearing fruit. Fourthly, the real primary income

differentials amongst population groups inter-provincially and nationally were vastly reduced by the application of these formulae.

Finally, since 1994 the South African Revenue Services no longer allocates nationally collected taxes to provinces, where they were generated in the first place. They argue that these calculations are very complex and not warranted given the already existing revenue sharing formulae. Furthermore no attempt is made by the National Treasury to calculate government expenditure in provinces by the central government itself. They simply ignore this kind of central government expenditure when funding of provinces is to be decided. This is crucial for an accurate welfare analysis though. Thus, for purposes of this article, central government expenditure in provinces was estimated on a population basis.

The welfare budget illuminates the flow of funds to and from provinces as well as the redistributive qualities thereof. An appeal is therefore made to the South African Revenue Services as well as the National Treasury not to negate the welfare budget's usefulness in the government's search for inter-population group equality and to present their data in such a manner that it aids rather than hinders the construction of welfare budgets for provinces.

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APPENDIX 1

- (1) Calculated with the aid of Table 3 in De Wet, H.F. 2008. 'The welfare consequences of provincial financing in South Africa', *Journal of Public Administration*. 43(4):523–544. These figures include the provincial as well as municipal expenditure calculated in Appendix 4.
- (2) Calculated with the aid of Van Wyk, H. de J. 2006. Personal Income of South Africans at National and Provincial Levels by Population Groups, Income Groups, Life Stages and Life Planes, 2000–2007, Bureau of Market Research Report 361. Pretoria: Bureau of Market Research, Table 2.4 and Table A2. Nominal figures deflated by 7,1%.
- (3) Calculated in Appendix 5.

APPENDIX 2

- (1) 1994 figures calculated with the aid of the Bureau of Market Research (2000) Personal Disposable Income in South Africa by Population Group, Income Groups and District, 2000, Bureau of Market Research Report 279. Pretoria: University of South Africa.
- (2) The 2002 and 2007 figures calculated with the aid of Van Wyk, H. de J. (2006) Personal Income of South Africans at National and Provincial Levels by Population Groups, Income Groups, Life Stages and Life Planes, 2000–2007, Bureau of Market Research Report 361. Pretoria: Bureau of Market Research, Table 2.4.

*1994 figures deflated by a CPI of 9,0%.

**2002 figures deflated by a CPI of 5,8%.

***2007 figures deflated by a CPI of 7,1%.

APPENDIX 3

Van Wyk, H. de J. (2006) Personal Income of South Africans at National and Provincial Levels by Population Groups, Income Groups, Life Stages and Life Planes, 2000–2007, Bureau of Market Research Report 361. Pretoria: Bureau of Market Research, Table 2.4 and Table C1; and Martins, J.H., Ligthelm, A.A., Loubser, M. and Van Wyk, H. de J. (1994) Socio-Economic Profile of the Nine Provinces in South Africa, 1994, Bureau of Market Research Report 207. Pretoria: Bureau of Market Research, Tables 4.2 and 4.4.

*1994 figures deflated by a CPI of 9,0%.

**2002 figures deflated by a CPI of 5,8%.

***2007 figures deflated by a CPI of 7,1%.

APPENDIX 4

Calculated with the aid of Appendix 2.

APPENDIX 5

- (1) Calculated with the aid of De Wet, H.F. (2008) 'The welfare consequences of provincial financing in South Africa', *Journal of Public Administration*. 43(4):523–544.
- (2) Calculated with the aid of Rode, H. and Bosch, T. (1993) *Munisipale Statistieke, 1992–1993*. Verwoerdburg: Munisipale Werkgewersorganisasie.
- (3) Calculated with the aid of National Treasury (2002) *Budget Review*. Pretoria: Government Printers. National transfers were redistributed by province by provincial population calculated on a nation *per capita* basis.
- (4) Calculated with the aid of National Treasury (2009) *Budget Review*. Pretoria: Government Printers, Table 8.1 and Table 8.2.
- (5) Percentages used here (in brackets) were calculated with the aid of National Treasury (2004) *Budget Review*. Pretoria: Government Printers, Table E17 and Table E22.
- (6) Population figures as in Appendix 7(a).
- (7) Nominal *per capita* consumption figures deflated by using inflation figures printed in Appendix 3.

APPENDIX 6

Calculated with the aid of Appendix 2, 4 and 5.

APPENDIX 7

- (1) Department of Finance (1994) *A Quantitative Framework for Research on Fiscal Transfers from National Government to the Nine Provinces*. Pretoria: Government Printers; and RSA (2003/04) *South African Yearbook 2003/04*. Pretoria: Government Printers. GGP is used to distribute VAT amongst provinces.
- (2) Calculated in Appendix 7(b).

APPENDIX 7(B)

- (1) RSA (2003/04) *South African Yearbook 2003/04*. Pretoria: Government Printers.
- (2) Van Wyk, H. de J. (2006) *Personal Income of South Africans at National and Provincial Levels by Population Groups, Income Groups, Life Stages and Life Planes, 2000–2007*, Bureau of Market Research Report 361. Pretoria: Bureau of Market Research.
- (3) This figure was supplied by the South African Revenue Services (2005/06) *Annual Report*. Pretoria: Government Printers.
- (4) These figures were supplied by the South African Institute of Race Relations (2007) *South African Survey 2006/07*. Braamfontein: South African Institute of Race Relations.
- (5) This figure was supplied by the South African Revenue Services (2006/07) *Annual Report*. Pretoria: Government Printers.

APPENDIX 8

- (1) Department of Finance (1994) *A Quantitative Framework for Research on Fiscal Transfers from National Government to the Nine Provinces*. Pretoria: Government Printers; and RSA (2003/04) *South African Yearbook 2003/04*. Pretoria: Government Printers.
- (2) 1994 figures deflated by 9,0%.
- (3) Calculated with the aid of SAPIA (2002) *Quarterly Accumulative Fuel Sales in Litres by Market Category and Province*. www.SAPIA.co.za
- (4) Calculated in Appendix 7(b).
- (5) 2002 figures deflated by 5,8%.
- (6) Figure supplied by the South African Institute of Race Relations (2007) *South African Survey 2006/07*. Braamfontein: South African Institute of Race Relations. Distributed as a percentage of GGP calculated in Appendix 7(a).

- (7) Calculated in Appendix 7(b).
- (8) 2007 figures deflated by 7,1%.

APPENDIX 9

- (1) Calculated subtracting only income tax.
- (2) Calculated subtracting all taxes as calculated in Table 7.
- (3) STS (stayed the same).
- (4) Source: Appendix 1.

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Political Oversight of Municipal Projects

An empirical investigation

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ABSTRACT

One of the key tenets of a democracy is legislative oversight over executive authorities. The aims of such oversight are to foster accountable, efficient, responsible, ethical, and transparent governance. However, recent official and media reports in South Africa record a rising trend in the number of unethical, and mismanagement cases in especially the local sphere of government. The media regularly report on often violent service delivery protests across the country. Municipalities are responsible for the design and execution of service delivery projects that have a direct bearing on citizen's lives. Robust oversight of these projects is critical to ensure more legitimate local governance. The purpose of this article is to empirically investigate the functioning and utilisation of political oversight structures and mechanisms by reflecting on the opinions and perceptions of senior officials and political representatives (i.e. councillors) in eight local and four district municipalities in Gauteng, North West, Free State, Eastern Cape and Northern Cape provinces.

INTRODUCTION

Classical liberalism, with the emphasis on individual freedom, ultimately culminated in modern conceptions of democracy. Basic tenets of a democratic system entail issues such as accountability, representivity and participatory government. One of the cornerstones of a vibrant democracy is the state's adherence to the principles of *Trias Politica*. This principle prescribes separation of powers between legislative, executive and judiciary authorities to ensure checks and balances in the exercise of power.

The *Constitution of the Republic of South Africa, 1996*, makes specific provision for structures and mechanisms of oversight. In terms of Article 9, national institutions such as the Public Protector, Auditor-General and Human Rights Commission, safeguard against abuse of power and uphold the core aspects of a democracy. However, the question remains about the structures and mechanisms available for political oversight in municipalities in general and for its service delivery projects in particular. The purpose of this article is to explore particular structures and mechanisms of oversight in municipalities and to uncover the challenges associated with their functioning within the context of municipal projects for service delivery. For this purpose, the researcher obtained opinions and perceptions of senior officials and political representatives (i.e. councillors) in eight local and four district municipalities in Gauteng, North West, Free State, Eastern Cape and Northern Cape provinces. The aim was to assess structures and mechanisms for overseeing projects.

POLITICAL OVERSIGHT: CONCEPTUAL AND CONTEXTUAL CLARIFICATION

The philosophical and political theory of classical liberalism was mainly formulated during the French Revolution and the American Declaration of Independence (Kramnick and Watkins 1979:8). Especially John Locke's adage of 'life, liberty and property' summarises the underpinnings of this philosophy (Manning 1976:66). Liberal thought holds that Government is the key instrument to maintain law and order in society. However, governments can transgress certain boundaries, a variable that gave rise to the liberal idea of 'limited' government (Seliger 1968:328). Limited government is achieved through instruments such as the diffusion and fragmentation of powers, rule of law, acceptance of a written constitution and a declaration of human rights.

Particularly the idea of the fragmentation of power culminated in the principles of *Trias Politica* (separation of power; usually between the legislative, executive and judiciary – Pennock 1950:13). Montesquieu's classical concept proposed that strong legislative control is necessary over the executive authority, but that this control should be limited by legislation (Held 2006:68). The controlling function of the legislative authority would ensure that the executive branch of government is held accountable and responsible for their actions and inactions. The separation of power, according to Montesquieu, was the cornerstone to guard against the abuse of state powers and to ensure the protection of civil liberties (Anderson 2004:34). In this regard, Heywood (2002:74) contends that a constitutional democracy like South Africa should have checks on the exercising of government's power. Heywood (2002:75) further argues that the right to vote

is a means of defending individual liberty, but that the separation of powers through the creation of a separate executive, legislative and judiciary, is critical to ensure societal liberty. This principle should be supported by maintaining basic human rights and freedoms.

From the liberal traditions highlighted above, the concept of 'oversight' emerged. This concept contains multiple dimensions, which include political, administrative, financial, ethical, legal, and strategic elements (Pennock 1950:41; Manning 1976:56). The basic function of oversight is to detect and prevent abuse, arbitrary behaviour or illegal and unconstitutional conduct by Government (Fessha 2008:4). At the core of this function lies the mandate to protect the rights and liberties of citizens, and to hold the government accountable for the manner in which the taxpayer's money is spent (Heywood 2002:78). Typically political oversight basically entails the following actions: informal and formal, watchful, strategic and structured scrutiny exercised by legislatures in implementing policy, utilising resources, and observing certain rules and regulations. The Oversight and Accountability Model of Parliament (RSA Parliament 2009:6–7) defines oversight as a constitutionally mandated function of the legislative organs of state to scrutinise and oversee the executive action of the various organs of state. Viewed within the context of international requirements, the importance for oversight has been highlighted as the ability to detect and prevent the following transgressions: abuse, arbitrary behaviour or illegal and unconstitutional conduct perpetrated by the government and public agencies.

In the context of the South African system of government, Senay and Besdziek (1999:3) define oversight as 'the proactive interaction' initiated by a legislature with the executive and administrative organs of a sphere of government that encourages compliance with constitutional mandates and legal obligations. This interaction ensures that the executive authority (i.e. municipal administration) is accountable to the public's elected representatives (i.e. municipal council). This in turn promotes the ideals of good government, as well as developmental and co-operative governance.

Political oversight in a municipal frame

In the local sphere of government the legislative authority or 'political structure' is vested in the council of a municipality or any committee or other collective structure, which is elected, designated or appointed in terms of a specific provision of the Local Government: Municipal Structures Act 117 of 1998 (henceforth Structures Act). The municipal council is elected directly by the electorate it represents, and hence has the constitutional mandate to oversee the administration and the executive. In executing this role, the administration and executive assume enormous powers that need to be monitored, in order to avoid abuse and/or under-

performance. Since South Africa is a constitutional democracy, it is a requirement that the administration and executives of the governmental institutions are monitored and held accountable by a distinct organ of Government.

A literature survey reveals the near absence of either official guidelines and recent surveys or academic text dealing with political oversight in municipalities. Official guideline documents such as National Treasury's *Guidelines for Legislative Oversight through Annual Reports* (2005) and the *Oversight and Accountability Model of Parliament* (2009:6) exist to direct oversight within provincial and national spheres, but are practically silent on local governmental matters. Moreover, it seems that the principle of *Trias Politica* in the local sphere of government is not as well-defined as in the provincial and national spheres. The Constitution (Section 151(2)), does not explicitly provide for a separation of powers in local government. It simply declares that 'the executive and legislative authority of a municipality is vested in its Municipal Council'. The executive (i.e. municipal administration) and the legislature (i.e. municipal council) are not separate branches as is the case with the national and provincial spheres of government.

The Constitution does not explicitly provide for separation of powers within municipalities. Nevertheless, various forms of legislation do make provision for different combinations of executive and participatory systems to guide political oversight. These legislative measures include the Structures Act, the Local Government: Municipal Systems Act 32 of 2000 (henceforth the Systems Act), as well as the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA). A municipality may, for instance, choose between a collective, mayoral or plenary executive system. In a municipality with a mayoral executive system of governance, executive leadership is vested in an executive mayor who is assisted by a mayoral committee. A municipal council with more than nine councillors is required to have a mayoral committee appointed by the executive mayor.

The Structures Act, Systems Act and MFMA therefore give content to the constitutional provisions on the interface between the municipal council and the administration. The challenge is that such a legislative collective is difficult to implement because its provisions are open to various interpretations. This often leads to unwarranted political interference into the municipal administration. One of the key tenets of the model of the dichotomy between the politic and administration in public administration, is the insulation of administrative practice from political interference (Svara 1998:179). Regarding municipalities the dichotomy model depicts the following scenario:

- 'the council does not get involved in the administration;
- the municipal manager has no (or very limited) involvement in shaping policies; and
- the municipal manager occupies the role of a neutral expert who efficiently and effectively carries out the policies of the municipal council' (Svara 1998:179).

Svara (1998, 180) further argues that municipal managers, as administrative heads, are generally appointed politically by the council. Municipal managers thus struggle to divorce themselves from political influence and patronage. Similarly, senior managers are also often appointed politically and have to help formulate municipal policies and regulations. This virtual absence of the separation of powers could contribute to political meddling and thereby curb a council's ability to conduct proper oversight. Separating the municipal administration from politics is essential for officials to voice their agreement or discontent without fear of victimisation or retribution. A positive development in this regard, however, is the Municipal Systems Amendment Act (Section 56A(1)), which provides that the municipal manager and those managers who are directly accountable to him or her, may not hold political office in a political party or structure of such a party. This may help make administrations more effective and neutral by ensuring that competent personnel are appointed who are not as susceptible to political manipulation and pressure. This provision unfortunately does not apply to municipal staff members other than on senior management level (Good Governance Learning Network 2010:3).

The Overview Report on the State of Local Government in South Africa (COGTA 2009), pointed out that the lack of effective oversight causes dysfunctionality and instability within municipalities by creating loopholes for fraud and corruption. This report, as well as annual provincial assessments, exposed critical causal reasons for distress in municipal governance as the following:

- deployment issues and interference by political parties;
- no clear distinctions between Councils and the administrations;
- unclear boundaries between political representatives and the administration;
- poor political management and leadership;
- insufficient application of oversight function on all levels;
- insufficient control within the system;
- poor skills base for councillors in many areas; and
- nepotism, cronyism, poor ethics and weak accountability frameworks.

Inadequate municipal accountability and oversight severely influence confidence and undermines trust levels in the system. This has been evidenced publicly through the spate of community protests recently experienced in communities across the country.

The Systems Act (Item 11(a), Schedule 1), prohibits political interference into the administration. A municipal councillor may not interfere in the administration or give instructions to any employee of the municipal council, unless mandated to do so. No councillor may obstruct or attempt to obstruct the implementation of a decision by municipal council, or encourage or participate in any conduct, which would cause or contribute to mal- administration. The MFMA (Section

117, Schedule 1) also provides protection against political interference into the administration. It stipulates that it is a criminal offence for a municipal councillor attempting to influence the municipal manager, any other staff member or an agent of a municipality not to enforce an obligation in terms of the Systems Act, other legislation, a by-law or a decision by municipal council. Such an offence is punishable by a fine or imprisonment of up to two years. The MFMA explicitly prohibits municipal councillors from interfering in the administration of project tenders by stipulating that municipal councillors may not be part of the evaluation of tenders, nor sit in as observers (Fessha 2008:29).

According to COGTA (2010, 46–47), effective oversight will have to be exercised in order to monitor ‘the extent to which service delivery (projects) are implemented within municipalities’. The application of oversight will have a positive impact as it may lead to improved service delivery and heightened accountability. The council will be able to monitor whether the administration does implement the constitutional mandate. The improvement of oversight could furthermore contribute to re-orienting policies, by-laws and budgets in favour of communities. Incidences of wasteful expenditure, corruption, and under-spending would be minimised, leaving more revenue to spend on the developmental duties of local government. Improving systems for political oversight within municipalities will limit political interference into the administration and ensure that the municipal manager and senior managers are accountable to the municipal council.

PROJECT MANAGEMENT: CONCEPT AND MUNICIPAL APPLICATIONS

As a management application, project management (henceforth PM) can be regarded as both a science and an art (Knutson and Bitz 1991:2). PM is perceived as a science because it is supported by mathematical calculations, charts, graphs, and other technical tools to design and execute projects. The success of projects, however, also depends on so-called ‘soft’ or human dimensions. These include political, interpersonal and organisational factors and thereby also the art dimensions of project management (Bredin 2006:83). According to Kliem and Ludin (1994:11), the field of project management had subscribed to methodologies resembling the rigid, structured and highly rational thinking of management thinkers such as Frederick Taylor, Henry Gantt and Max Weber. These theorems generally entail designing, planning, organising, co-ordinating, controlling and directing the activities of a project (McGhee and McAliney 2007:3; Burke 2013:12). Furthermore PM is characterised by the application of specialised planning tools and techniques to exercise more

effective control over resources (Midler 1995:365). PM can thus be regarded as a highly effective control mechanism to utilise resources optimally and to get products and services delivered on time, within the budget, and according to quality specifications (Van der Waldt and Knipe 2006:23).

The Project Management Body of Knowledge (PMBOK 2013) is a product of the Project Management Institute, the international professional body for the field. PMBOK identifies five major, generic life-cycle phases for projects. These phases are conceptualisation, planning, execution, monitoring and control, and finally closure. Each phase has significance for purposes of political oversight. During the first phase, for example, political oversight boils down to determining whether the project does the following:

- Addresses the need identified and will pursue a feasible, cost-effective strategy.
- Align itself with national legislation and municipal policies.
- Interfaces with the municipal structure and procedures.
- Adheres to realistic time-scales, depending on the relative priority councils attached to it.
- Is resourced adequately and are backed by the commitment of senior management who supports it through materials, equipment and human resources.
- Meets the specifications and scope of the client.

The progress and overall performance of a project must be measured regularly to identify deviations from the original plan. When significant variances are observed (i.e. those that jeopardise the project objectives), adjustments can be made to the plan by repeating the appropriate processes for project planning (Burke 2003:56). Oversight is facilitated by regular performance reports to control the change, scope and schedule of the project, as well as the costs and quality.

Each stage ends with a decision point. This functions as a control 'gate', in the project when progress and deliverables are reviewed before approval to proceed to the next milestone or stage of the project. These decision points are typically preceded by performance and quality reviews (Nickson and Siddons 1997). During this phase oversight centres mainly on verifying the scope and assuring the quality of projects. This is done through regular phase reviews and progress reports. Political oversight during the closing phase of a municipal project is generally facilitated by close-out reports, audits, and impact assessments (Partington 1996:15; Chien 2004:429).

Municipal service delivery through IDP-aligned projects

All metropolitan, district and local municipalities in South Africa are expected to design a comprehensive Integrated Development Plan (IDP). The IDP

must capture the priorities which service delivery needs. These priorities are identified through various consultative processes and the ward committee system. The IDP, in turn, is operationalised through the formulation of a 'top-layer' (i.e. strategic level) Service Delivery and Budget Implementation Plan (SDBIP). Section 53(1)(c)(ii) of the Municipal Finance Management Act 56 of 2003 (MFMA), defines the SDBIP as 'a detailed plan approved by the mayor of a municipality in terms of for implementing the municipality's delivery of services and the execution of its annual budget'. The SDBIP is a key management, implementation and monitoring tool, which provides operational content to targets for service delivery set in the budget and IDP. It determines the performance agreements for municipal managers and all senior managers, whose performance are then monitored through monthly reports and evaluated through annual reporting processes. The SDBIP should therefore determine, and be consistent with, the performance agreements between the mayor and the municipal manager, as well as between the municipal manager and senior managers. The SDBIP must also be consistent with agreements on outsourced service delivery with municipal entities and private service providers.

Projects can be regarded as the 'vehicles' through which the IDP and SDBIP are operationalised. All municipal projects should be aligned with both planning documents. The IDP explicitly makes provision for projects in phase 3 of its five phases (DPLG IDP Guide Pack 2002:10). Projects are thus increasingly seen as effective tools to improve service delivery in municipalities. If projects are not executed successfully, both in terms of quantity and quality, the municipal community may complain about the slow pace of service delivery. It could thus be argued that poor project planning has a direct impact on the overall legitimacy of the municipal council concerned. This is confirmed by the following reports: State of the Cities Report (SA Cities Network), the 2009 Local Government Turnaround Strategy for Municipalities (COGTA 2009a), the State of Local Government in South Africa (COGTA 2009b), as well as the General Report of the Auditor-General on the Audit Outcomes of Local Government for the financial year 2013–2014.

These various forms of legislation and regulatory oversight reflect the fact that municipalities, which are unable to deliver on their constitutional and developmental mandates, typically show some of the following characteristics: their services are not delivered on target dates, they are over-budget, have low service standards, and follow weak standardised processes and methodologies. The municipalities that have relatively mature project applications and well-functioning mechanisms for political oversight in place receive unqualified audit reports regularly. Therefore there seems to be a significant correlation between well-established project practices, effective political oversight, and efficient municipal service delivery.

POLITICAL OVERSIGHT STRUCTURES AND MECHANISMS FOR MUNICIPAL PROJECTS: AN EMPIRICAL INVESTIGATION

This section highlights the particular political oversight structures and mechanisms identified by participants who were part of an empirical investigation.

Methodology

Through a qualitative research design, a questionnaire was distributed to fifty-nine ($n = 59$) randomly-sampled participants. These comprised councillors and officials in the following local (LM) and district municipalities (DM) in Gauteng, North West, Free State, Eastern Cape and the Northern Cape provinces. This sample is expounded in the table below.

Sample			
Local municipalities	No of participants	District municipalities	No of participants
Maluti-a-Phofung LM	3	Wes Rand DM	5
Magube LM	2	O.R. Tambo DM	12
Alfred Nzo LM	6	Dr Ruth Segomotsi Mompati DM	9
Merafong LM	6	Namakwa DM	3
Ratlou LM	4		
Mamusa LM	4		
Matlosana LM	3		
Dipaleseng LM	2		
Total	30	Total	29

Only a general sense of major project oversight structures and mechanisms and associated challenges were of interest to this research. Hence a fully representative sample of all 278 municipalities in South Africa was not necessary. No generalisations of the research findings are thus made. A questionnaire was distributed to participants in eight local municipalities and four district municipalities. A list with names and e-mail address of delegates who successfully completed municipal governance training courses hosted by the Centre for Governance, North-West University, was utilised for this purpose. This ensured that only participants responded who were

relatively well-versed with both PM applications and municipal political oversight. Forty-eight of the selected 59 participants responded, a response rate thus of 81,3%.

Apart from two biographical questions about position (job level) and numbers of years employed in the particular municipality, the questionnaire only contained four open-ended questions, namely:

- ‘What are the key political oversight *structures* (e.g. committees of council) in your municipality to oversee service delivery projects?’
- What are the key political oversight *mechanisms* (e.g. reports) in your municipality to oversee service delivery projects?’
- Briefly state your perception regarding the effectiveness of each oversight structure and mechanism mentioned above in ensuring the successful design and execution of municipal projects.
- What do you regard to be the key challenges associated with political oversight of municipal projects? (Please list in order of significance or magnitude and briefly elaborate on each challenge identified).’

The structures and mechanisms for political oversight that participants identified were categorised, based on the number of responses obtained. In other words, the political oversight mechanism mostly cited by participants was listed as number one – as is illustrated in the table below.

Findings: Key project oversight structures

In this section the response rating of participants is used to explore particular structures of project oversight in municipalities in order of priority as ascribed by the participants. The respective structures are furthermore explained briefly based on their particular statutory and regulatory mandate in local government in general and project oversight in particular. The response rate for political oversight structures as provided in the table below.

Political oversight structures	Response rate
Council Portfolio Committees	100% (n = 48)
Internal Audit and Audit Committee	93,7% (n = 45)
Municipal Performance Audit Committee	91,6% (n = 44)
Municipal Public Accounts Committee	77% (n = 37)
Project Steering Committees	72,9% (n = 35)
Project Management Unit	64,5% (n = 31)

Subsequently a brief expose will be given of the findings for each structure of political oversight as indicated in the table above.

Council Portfolio Committees

All participants ($n = 48$) indicated that portfolio (or standing) committees in terms of Sections 79 and 80 of the Structures Act are the most significant structures for municipal project oversight. Portfolio Committees are categorised as Section 80 committees and are permanent bodies in Council. Their deliberations are aimed at a particular functional area. They advise Executive Committees on policy matters and make recommendations to Council.

To facilitate the monitoring and oversight of projects, the Portfolio Committee's control and performance reporting should follow the Corporate Governance principles (i.e. King III), and adhere to the Structures Act (Section 79(2)(c)-(f)). The Committee has the responsibility of exercising oversight of service delivery projects. The members also consider the financial performance to develop a holistic understanding of the municipality's performance. Regarding the oversight of service delivery projects, the general functions of the Portfolio Committee entail the following:

- Evaluate and recommend the prioritisation of projects falling within the functional areas of the portfolio.
- Receive and consider business plans for projects falling within the functional area of the portfolio.
- Oversee the implementation of projects within its area of jurisdiction.
- Oversee the review of financial performance against approved project budgets.
- Formulate and prepare in consultation with the relevant Head of Department the draft budget for the functional areas of the portfolio.
- Receive and consider project reports and make recommendations.
- Ensure that the projects comply with the legislation, norms and standards for the functional areas of the portfolio.
- Consult with the municipal manager and the relevant Head of Department on Council's policies, programmes and projects.

Even though municipal committees might be representative of all political parties, it must be chaired by a member of the executive and reports to the executive (De Visser, Steytler and Mays 2009:41; Paradza, Mokwena and Richards 2010:12). It could be argued that the representativeness of these committees may exert a significant influence on the way in which oversight is conducted – the more representative the more effective oversight is exercised.

The Internal Audit Unit and Audit Committee

Ninety-three percent (n=45) of the participants concurred that the Audit Unit and Audit Committee play a significant role in project oversight. In terms of the MFMA (Section 165) each municipality must have an Internal Audit Unit. According to the MPAC Guidelines (SALGA 2012:4) the Internal Audit and the Audit Committee must advise the accounting officer on the implementation of the internal audit plan and matters relating to the following:

- internal audits;
- internal controls;
- accounting procedures and practices;
- risk and risk management;
- performance management;
- loss control; and
- compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation.

The International Standards for the Professional Practice of Internal Auditing (National Treasury 2009:5) defines internal auditing as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. The Internal Audit Unit initiates an organisational risk-based plan needing to focus on the following actions: internal controls, risk and risk management, performance management, loss control as determined by the municipal manager (MFMA, Section 165(2)-(3)).

The Internal Audit Unit can also assist the Council in improving oversight over municipal projects. The council can pose questions, probe and hold the administration accountable for failures to perform or in the event of financial misconduct. In order for the Internal Audit Unit to add value it needs to function in an enabling environment, without interference from the administration or the municipal council.

Section 165(2)(b) of the MFMA provides for the establishment of an Independent Audit Committee consisting of at least three persons with appropriate experience, the majority of whom should not be employed by the municipality. The Audit Committee does not form part of the administration, but in practice the head of the Internal Audit Unit performs a secretarial function to assist the Audit Committee. The purpose of municipalities' internal audit and audit committees is to identify risks to which that municipality could be exposed and to advise the council accordingly. An Audit Committee may enhance the independence and effectiveness of the Internal Audit Unit, as the municipal manager needs to ensure that the reports on irregularities, risk, and fraud associated with municipal projects are submitted to the Audit Committee. This in turn ought to enable the council to improve oversight.

Municipal Performance Audit Committee

Regulation 9 of the Municipal Planning and Performance Management Regulations obligates a municipality to appoint a separate Performance Audit Committee to conduct the internal audit of the municipality's performance. Ninety-one percent ($n=44$) of the participants concurred that the Regulations further provide clear guidelines for conducting project performance audits:

- 'review the quarterly reports submitted to it;
- review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
- at least twice during a financial year submit an audit report to the municipal council concerned' (Municipal Planning and Performance Regulation, 2001, Reg.4(a)(i)-(iii)).

The Municipal Performance Audit Committee has a critical role in improving the oversight role of the municipal council. This is done by reviewing the performance of management and determining whether management in their execution of municipal projects adhered to the legislative framework that governs performance management. The committee may access municipal records for the purpose of auditing, they may summon and may request information from anyone (Municipal Planning and Performance Regulation 2001, Reg.14(4)(iii)).

Municipal Public Accounts Committee

A significant number of participants (77%) agreed that Municipal Public Accounts Committees (MPACs) play a meaningful role in project oversight. These committees are established in accordance with Section 79 of the Structures Act. The main purpose of the MPAC is to exercise oversight over the executive functionaries of Council and to ensure good governance within the municipality. As such, the MPAC oversee all funding associated with municipal projects. In addition, it verifies the progress of projects and reports the status of projects to Council. In conducting this oversight function, the MPAC evaluates annual reports, and check the financial statements and audit reports of the municipality.

As a monitoring and evaluation committee, MPAC must inspect project sites at least on a monthly basis together with municipal project managers. MPAC must also liaise with the chief financial officer (CFO) to determine whether money allocated to projects is spent according to specifications.

Project Steering Committees

Thirty-five participants (72,9%) identified Project Steering Committees as a major structure for project oversight in their municipalities. Project Steering

Committees are responsible for directing or steering the project. Van der Waldt (2008:15) points out that a project steering committee 'is generally the key governance structure, which is responsible for the issues associated with the project deliverables'. This includes issues such as:

- Approving the project budget.
- Defining the deliverables.
- Monitoring identified risks.
- Making decisions on resources.
- Approving changes in project scope.

The twelve participants from O.R. Tambo DM indicated that steering committees are established for all projects in the municipality. The main role of these steering committees is to monitor project progress and to identify political risks. The committee usually consists of community leaders and other relevant stakeholders of the project in question. The project manager and technical committee report on the progress of the project during gatherings of this committee. Participants from Merafong LM in turn indicated that their steering committees are usually chaired by a member of the Mayoral Committee or the Executive Director of the department responsible for the project. The steering committee also comprises councillors of the particular wards that will be affected by the project. It may also include representatives from provincial and national departments. The project manager is responsible in this meeting to submit reports on the status of projects.

In the case of Ratlou LM, an intersectoral steering committee was constituted by different sector departments. This includes Education, Health and Local Aids Council, Social Development and South African Security Agency (SASSA), as well as Agriculture and Rural Development. The intersectoral committee also includes local ward councillors, community development workers and the ward committee. All these representatives play an oversight role by monitoring projects and reporting to their different departments.

Project Management Units

The last structure identified by participants (64,5%), is Project Management Units. Each municipality participating in the Municipal Infrastructure Grant (MIG) programme must establish Project Management Units (PMUs) (DPLG 2007, 7). Municipalities are required to set up or to share (i.e. shared services model) a PMU. This service model should have the following functions in relation to municipal projects:

- Take responsibility for project management and the administration of MIG funding, within the relevant municipal accounting systems, for infrastructure projects, as well as projects of other municipalities where delegated this authority.

- Coordinate the process to identify projects within the municipality.
- Manage the feasibility process of the project, by involving other municipal departments, where appropriate, in terms of the relevant integrated development plans.
- Coordinate the project-based initiatives for capacity building: the Project Management Unit is responsible to ensure that project-related capacity building and developmental objectives are met.
- Taking responsibility for deploying a consistent methodology for project management within the organisation, including processes, templates and best practices.
- Conducting project management, which includes making sure that projects meet planning objectives (DPLG 2007:7).

In all these instances, the PMU is a function or a shared function within a municipality. Therefore, all the PMU requires is the planning, organising, coordinating, controlling and directing of the activities of a project (Van der Waldt 2013:9). In the case of O.R. Tambo DM, a special unit was established to facilitate, monitor, control and report the project status. This unit is based at the Infrastructure Department, where most service delivery projects of the district are coordinated. The project managers of the district are placed in the PMU and report directly to the Director: Infrastructure and Water Services.

Participants from Mamusa LM confirmed that the establishment process as well as the operational outcomes of their PMU does adhere to all aspects contained within the MIG Guidelines of the MIG Policy Framework document. In the case of Ratlou LM, the role of the PMU entails the following actions:

- Accept overall responsibility for the effective governance of projects.
- Prioritise relevant projects for Ratlou communities.
- Enforce project-based service delivery.
- Recruit resourceful and skilled project team members.
- Develop local leadership that will inspire confidence in project management.
- Respond rapidly to the need and demands of local communities.
- Render services on time, within budget and according to project specifications.
- Improve control over projects in the municipality.
- Ensure the formulation of clearly defined criteria by which to report on the status of projects.

The role of the technical department's chairperson is oversight and to ensure that progress reports reach Council in time. The chairperson will report to communities and political heads on the progress of the project concerned. The technical chairperson will also intervene when problems are encountered,

especially with employing local community members in projects. One participant raised the interesting point that it would be easier for an inclusive PMU (i.e. with a wider scope of responsibility) to co-ordinate projects. The reason is that not all projects are funded by MIG. Some also receive funds from sector departments and even donor agencies.

Findings: Key project oversight mechanisms

The oversight mechanisms or means through which Council exercise oversight, are again listed in the table below based on the number of times (frequency) cited by participants.

Political oversight mechanisms	Response rate
Annual and Quarterly Performance Reports	97,9% (n = 47)
Project status reports	87,5% (n = 42)
Project Charters and Business Plans	79,2% (n = 38)
Project Budget Statements and Reviews	70,8% (n = 34)

Annual and Quarterly Performance Reports

The most significant mechanism for project oversight that participants identified (97,9%) is Annual and Quarterly Performance Reports. Every municipality and municipal entity must prepare an Annual Report for each financial year. This should be done in accordance with the MFMA (Section 121) and can be regarded as the most important report concerning the various operations and functions of the municipality. The purpose of the Annual Report, in terms of the MFMA stipulations is to provide the following:

- a record of the activities of the municipality or municipal entity;
- a report on performance in service delivery and implementation of budgets;
- information that supports the revenue and expenditure decisions made; and
- accountability to the local community for decisions taken.

All municipalities are obligated to report on the various aspects of performance, by providing a true, honest and accurate account of the goals set by the municipal council over against the success or failures in achieving these goals (National Treasury 2006; MFMA 2005, Circular No. 11). Performance reporting and reviews should be done on various levels and at specific intervals, including:

- departmental reviews;
- management team reviews;

- Portfolio Committee reviews;
- EXCO (Executive Committee) reviews;
- council reviews; and
- public reviews.

The Annual Report is relevant for the oversight of project, as it may be used to ensure transparent governance when reporting on projects' performance. Such a report provides a detailed record of a municipality's service delivery, income, expenditure and financial allocations. The council can use these reports to determine the financial state of the municipality and whether targets for service delivery were implemented within the constraints of the budget. The Annual Report is relevant as an oversight and accounting mechanism, in the sense that it captures the financial transactions regarding service delivery projects on an annual basis (Section 38(a)(ii) MFMA; National Treasury 2007).

Project Status Reports

Forty-two participants (87,5%) identified Project Status Reports as instruments of political oversight for municipal projects. The municipality's council must consider the Annual Report of the municipality and any entity under the municipality's sole or shared control. This should be done by no later than two months from the date on which this report was tabled in the municipal council. Then the council should adopt an oversight report containing the council's comments on the Annual Report (MFMA, Section 129). The comments to be submitted by the council must include a statement whether the council has:

- Approved the Annual Report with or without reservations.
- Rejected the report.
- Referred the Annual Report back for revision on those aspects that can be revised (MFMA, Section 129).

Status reports from the Project Steering Committee are submitted to the Office of the Municipal Manager, who reports the findings on the performance of projects to Council. This oversight report plays a key role in ensuring that the executive and administration are held accountable for the performance of projects.

Project Charters and Business Plans

The majority of participants (79,2%) confirmed that Project Charters and Business Plans play a significant role as oversight mechanisms. Charters of municipal projects clarify the project's scope, specifications, and roles, as well as set out the responsibilities of the relevant role-players and stakeholders. The Business Plan in turn must outline in detail the milestones, duration, budget, quality metrics and reporting arrangements. It also clarifies the interface between the project and

existing municipal structures and policies. Both documents are thus important to define accountability and reporting arrangements (cf. Van der Waldt 2008:18).

Especially the project's budget, as contained in the Business Plan, can be regarded as a key oversight instrument by setting the spending priorities and controlling the expenditure (De Visser, Steytler and Mays 2009:12). The municipal manager must submit a monthly budget statement to the mayor and the provincial treasury including information about the actual expenditure of projects (MFMA, Section 71(1)-(5)).

Project Budget Statements and Reviews

The mechanism the participants listed the least as oversight mechanism (70,8%) is Project Budget Statements and Reviews. The mayor should receive monthly budget statements, which reflect the expenditure on service delivery projects. He or she should further receive performance reports quarterly from internal audit and obtain performance reports twice a year from the Audit Committee. The mayor is also responsible for monitoring the implementation of proposals presented to Council for the improvement of performance monitoring and project oversight.

Budget statements and reviews are conducted in terms of Section 46 of the Systems Act. Though the council does not receive the monthly budget statement, legislation does not prohibit this body to request these statements in order to conduct oversight. It furthermore gives the municipal council insight into whether any adjustments were made within the planned project projections. From this can be deduced whether corrective measures need to be implemented in instances where the administration does either overspend, or underspend.

Findings: Core challenges identified

Question 4 of the questionnaire requested participants to identify and prioritise the key challenges that, according to them, hamper political oversight of municipal projects. This section briefly highlights the responses obtained. As far as possible, similar responses were clustered. "C1" refers to the challenge participants cited most often.

C1: *Councillor capacity*: Forty-two participants (87,5%) identified skills and capacity challenges on the side of those responsible for oversight to be the most significant issue. Participants concurred that the general inability of councillors to interpret technical project reports seriously hampers their oversight function. Such reports include estimates and calculations of the budget, environmental impact assessments, and feasibility studies,

C2: *Political will*: Participants listed as second most significant challenge (83,3%) the lack of political will to act against non-compliance with tender specifications for projects or against non-performance of politically-

connected officials. There was a general agreement that adequate structures and mechanisms exist to oversee municipal projects, but that these structures and mechanisms are merely there for the sake of complying with statutory regulations. The political will to exercise oversight effectively through these structures are generally seen to be lacking. Often 'bad' (i.e. over-budgeted) projects are not terminated, due to political reasons.

- C3: *Terms of reference*: The general lack of clear roles and of clarity on the responsibility of various political oversight structures was cited by 72,9% of participants. Various structures are in place in municipalities, but often the chairperson and committee members misinterpret their legal mandates and overstep their jurisdiction. Participants recommended that clear terms of reference should be established for each oversight structure.
- C4: *Oversight horizons*: More than half of the participants (62,5%) indicated that the short planning horizon of councillors often hampers the implementation of longer-term projects. Councillors often focus on their term of office and on being re-elected, and are not duly concerned about projects that run beyond local elections. Councillors are also often only concerned about projects in their particular wards and those endeavours which gain them high visibility. Some participants also indicated that politicians often 'high-jack' high profile municipal projects for political gain.
- C5: *Budgeting processes*: Forty-eight percent of the participants (48%) indicated that projects funded through the discretionary fund of the Executive Mayor are often not subjected to the same level of scrutiny as other municipal projects. This could pose a significant challenge to good governance if transparency on these types of projects is compromised.
- C6: *Outsourcing*: There is often over-reliance on external service providers through the outsourcing (i.e. contracting out) of projects. This state of affairs impedes accountability and political oversight (42%). If municipalities do not adhere strictly to and enforce tender specifications and contractual obligations, the success of projects usually may be compromised. Municipalities also typically do not effectively conduct their own impact and risk assessments on projects (organisational and environmental). They rather leave it up to the service provider, who is generally not concerned with municipal priorities and responsibilities.
- C7: *Continuity*: According to participants (32,6%), the high staff turnover of councillors and other political positions such as the Executive Mayor and the Speaker, seriously jeopardise a longer-term oversight perspective. There is a general lack of "institutional memory" to oversee longer-term municipal projects.
- C8: *Municipal entities*: An interesting point raised (12,5%) is the fact that projects in municipal entities are subjected to the same stringent oversight processes as the projects run by the administration. It seems that especially

municipal entities in the arena of local economic development require more rigorous oversight protocols.

CONCLUSION AND RECOMMENDATIONS

The purpose of this article was to investigate the nature of municipal political oversight with specific reference to structures, mechanisms, and challenges of project oversight. It is evident that an adequate statutory and regulatory framework does exist to guide the establishment and functioning of such oversight structures and mechanisms. There are, however, significant challenges that still hamper effective utilisation of these means for project oversight.

It is recommended that a comprehensive oversight framework should be designed to strengthen existing structures and mechanisms. Such a framework provide for capacity-building of councillors by conducting a more robust orientation of especially newly elected councillors. Furthermore, the framework should foster political commitment of Council to act on instances of non-compliance with statutory and regulatory requirements. The framework should thus in general foster accountability systems, transparency, and a performance culture. Unless the challenges identified in this investigation are addressed adequately, it may lead to violent protests in cases where the quality and quantity of service delivery projects are not improved.

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New Public Management (NPM) Principles in the Water Services

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ABSTRACT

New Public Management (NPM) principles are multifaceted, but they can be divided into two different approaches; *privatisation* and *managerialism*. It is often one or a combination of these that are referred to when NPM is mentioned. In each country its dominant socio-economic, cultural and political context determines which elements of NPM principles are implemented. This article analyses the management of water services in the City of Johannesburg (CoJ), to show that the City applied a combination of Commercialisation and a Management Contract in the running of its water services between 2001 and 2006, and that since the management contract was not renewed in 2006, only commercialisation has remained to this day. The article rejects the notion that NPM is declining and concludes that the implementation of the NPM principles has helped the service provider to achieve some important objectives such as the reduction of Unaccounted for Water (UFW) and improved financial collection.

INTRODUCTION

Despite the seemingly unstoppable implementation of the NPM in developed countries such as Australia, New Zealand, the US, Switzerland and many other members of the Organisation for Economic Co-operation and Development (OECD) there were increasing difficulties with its implementation and strong reservations expressed by some leading academics and citizens (Noordhoek and Saner 2005:36). These reservations and difficulties in the NPM implementation

process led Dunleavy, Margetts, Bastow and Tinkler (2006:467) to suggest the desuetude of NPM approaches. There are both differences and similarities in the reasons that led developed countries to implement NPM principles. There are also differences between the reasons that led to the implementation of NPM in developed and developing countries and between the NPM elements chosen and implemented by these countries. This article analyses the available literature on the implementation of NPM principles, finding that the elements of NPM principles are still found in the management of the water services of the CoJ in South Africa. The following questions are addressed: What is the context of implementing NPM in developed and developing countries? How have NPM principles manifested themselves in developed and developing countries? How did NPM principles manifest themselves in the management and provision of water services in the CoJ and finally, how have these NPM principles affected the management and provision of water services in the CoJ? The answers to these questions confirm or reject the alleged desuetude of NPM as claimed in the current literature.

CONCEPTUAL CLARIFICATION OF NPM

The term NPM has been extensively used in the literature, but no author has been able to give it a universally acceptable definition. Waine (2004:16) argues that NPM is a generic term used in academic literature to refer to a set of systematic changes, which occurred in the organisation of public sector services. Madue (2012:30,31) postulates “that NPM, which in Switzerland and Australia is known as Results-Oriented Public Management... and in Germany as the New Guiding Model ... redirected the focus of administration management on effects and performance”. The philosophy behind NPM principles is that government should steer (i.e. decide guiding policies) and leave the rowing role (i.e. service delivery) to private institutions (Uwizeyimana 2006:19). That is “it is not government’s obligation to provide services; but to see to it that they are provided” (Cuome, in Goyer 2001:2).

Ormond and Loffler (2002:2-2) argue that NPM is a “marriage” between two major concepts. These concepts are: The application of private sector business management principles to the public sector and the introduction of new administrative principles such as contestability, transparency and concentration on an incentive structure and user-charges which is often referred to as “managerialism”. NPM implies an emphasis on contract management, linking remuneration to performance and market mechanisms, in order to achieve the “3Es- Efficiency (Do more for less), Effectiveness (Achieve policy objectives/purposes), and Economy (Do the same for less money)” (Jones and Pendlebury 1996:31) in the provision of public services (Uwizeyimana 2009:12). NPM

Table 1: The NPM Toolbox

- Strengthen the steering functions of the “skeletal” central state.
- Use the private sector, agencies and departments to provide public services.
- Introduce market principles in the public sector; use the market to earn income instead of spending and to solve problems instead of creating public programmes.
- Promote competition between service providers through privatisation and contracting out, and compulsory competitive tendering (CCT).
- Decentralise authority and separate policy formulation from policy implementation.
- Introduce performance targets and performance indicators, and control.
- Formulate a mission driven-management framework in which to operate rather than being rule driven.
- Adopt the Total Quality Management (TQM) attitudes.
- Focus on the customer/citizens empowerment and his/her choice, and make the public sector responsive and accountable to him/her in a democratic and ethical manner.
- Delegate front-line operators and empower them with decision-making authorities to exercise creativity and innovation and flexibility in the pursuit of 3Es to customers.
- Invest in prevention rather than cure.
- Shift public management emphasis from procedure and input control to rewarding results/ output.

Source: (Table 1 is based on Ormond and Loffler 2002:3–6, Chain 2002:2, Osborne and Gaebler 1992, Minogue 1998:18).

techniques aim to introduce an “entrepreneurial spirit” in public institutions (Uwizeyimana 2009:12–19). “Managers of public institutions have to be held directly accountable for the results, outputs and outcomes, not the inputs. This requires setting explicit and measurable targets. Resources are allocated according to results. Recruitment is open in order to attract the very best managers; who operate on the basis of short-term contract strategies” (Cameron 2009:930).

NPM requires a general shift from old bureaucratic hierarchies of the past, to an open market; and from a strict rule of government to a directive rule of governance (Cameron 2009:930). What is clear in the given definitions is that there are many ways to implement the NPM principles (Uwizeyimana 2006). Hence, according to some such as Ormond and Loffler (2002:11) and Batley (2004:32) NPM should be viewed as a “shopping list”, or a “toolbox” or just a

“menu” with many elements. From the NPM toolbox or shopping list different countries pick some elements to implement with a view to developing an ‘Effective, Efficient, and Economic’ public management’ (Mutahaba and Kiragu 2004:51–72).

Despite the different definitions and different ways in which NPM principles can be implemented, a closer investigation of literature shows that the countries that pioneered NPM such as New Zealand, sought the root of NPM principles in “massive scale privatisation”, while the United Kingdom (UK) sought its root in “Managerialism” (Hughes and O’Neil 1994:4). This led Steward and Walsh (1992:1) to argue that “in reality, it is these two different approaches (i.e. *privatisation* and *managerialism*) that are referred to, when the term “New Public Management (NPM), is mentioned”.

Managerialism is about the application in the public sector, of “a set of particular management approaches and techniques which are mainly borrowed from the private sector” (Uwizeyimana 2009:33–34, Uwizeyimana and Maphunye 2014:93). Privatisation is used to denote all possible practical policy options designed to promote a greater role and involvement of the private sector in the provision, administration and/or financing of traditional government services (O’Connor and Sacco 1993:1). The following toolbox represents some of the key features or elements of the NPM (Osborne and Gaebler 1992; Minogue 1998:18; Ormond and Loffler 2002:3–6, Chain 2002:2):

IMPLIED DESUETUDE OF THE NPM APPROACH

It is often argued that the era of NPM principles ran from the 1970s to late 1990s (Rosta 2011:1; Uwizeyimana and Maphunye 2014:90). The implied “death of NPM” was first claimed by Noordhoek and Saner in their 2005 paper entitled “*Beyond New Public Management: answering the claims of both politics and society*” (2005:1). Other Public Administration literature suggesting that the use of NPM principles is declining or dead include Patrick Dunleavy, a Professor of Political Science and Public Policy within the Government Department of the London School of Economics (LSE) and his colleagues, in their 2006 article entitled “*New Public Management is Dead – Long Live Digital-Era Governance*” (Dunleavy, Margetts, Bastow and Tinkler 2006:467). These authors suggested that “New Public Management is Dead” simply because the increased use of technology in management has altered the way governments do business with their communities.

However, a review of literature of a more practical nature suggests that some of the elements on the “NPM shopping list” or “NPM tool-box” such as privatisation and managerialism (Schedler and Proeller 2002:163; **Öberg** and

Wockelberg 2013:2) are still prevalent in the management of public institutions and their subsidiaries. Dunleavy *et al.* (2006:467) who claimed that “the NPM wave has now largely stalled or been reversed in some key leading-edge” countries admitted that the NPM “effects are still working through in countries new to NPM” (Dunleavy *et al.* 2006:1).

Perhaps the most vigorous criticism of Dunleavy *et al.* (2006:467) that “NPM is dead” and that it is being supplanted by Digital Governance, comes from Jouke De Vries, a professor at Leiden University. In his 2009 article De Vries (2009:3), questioned: “*Is New Public Management Really Dead?*” De Vries agreed that there could not be any doubt that the “digital era governance is growing more dominant” than NPM but he argued that while the use of technology is undoubtedly growing, it is only growing within [not outside] the NPM and its growth is like “breaking out of its [NPM] cocoon” (De Vries 2009:3). This is because as De Vries (2009:3) puts it, the digital-era governance is an integral part of the NPM movement and NPM principles depend heavily on the use of technology in order to achieve their intended objectives. Since technology is only a tool for NPM principles, it is impossible for the Digital Era Governance to take NPM’s place. Curry (2014:3) considered these technology-based changes mentioned by Dunleavy and colleagues, not to be “a true break from NPM” or a “rejection of the NPM ideas”, but “merely a refinement or fragmentation of the [NPM] idea” (Curry 2014:19).

De Vries (2009:3) went further to argue that, Dunleavy’s presentation “of just one competing (sub) paradigm to NPM is too rigid” and ignored the fact that “apart from digital-era- governance there are four other avenues of thought at this moment breaking out of the NPM cocoon”. These include: (a) “the new Weberian state proponents which aims to restore the legitimacy of the state by placing more emphasis on non-economic values and societal problems; (b) the government-governance theory about vertical and horizontal steering within the so called network society, (c) the ‘*glocalisation*’ theory – that refers to a combination of globalisation and localisation processes – which analyses the relations between the national state and international organisations on the one hand and regional and local organisations on the other; and (d) theories about new combinations between the state, civil society and the market” (De Vries 2009:3). Therefore, as de Vries (2009:3) states, “NPM is not really dead: parts of it are still very much alive”.

While there is no consensus on the state of NPM in the literature, it is generally accepted that because of differences in its implementation “the outcome of individual NPM initiatives depends on localised contingency factors which cannot be generalised beyond individual countries’ “general national characteristics” (Polidano 1999:1). This is why, according to Rosta (2011:1) “the depth and the width of the reforms exhibit significant differences even in the case of the Western

European countries". It could then be argued that various NPM elements are still being implemented in both developed and developing countries around the world. While the space in this article does not allow a detailed discussion of all the items listed in the literature as characteristics of NPM (as listed in Table 1) the following paragraphs present a brief review of the implementation of NPM principles in selected developed and developing countries.

NPM IMPLEMENTATION IN SELECTED DEVELOPED COUNTRIES

According to Heywood (2002:366–367) the conventional structure of government bureaucracy, has been the subject of strong scrutiny and pressure since 1970. The debates about NPM have been about the attempt to reorganise and reduce the size of the state, and change its processes by transferring many of its functions to private institutions (Civil Service Restructuring); or “Reinventing government or rolling back government” (Ahluwalia 2001:54). Early in the 1980s the New Right in the USA and New Zealand mounted a ferocious attack on “big government-governments that spend a lot on social issues. They wanted an enabling, skeletal (very small sized) state, whose role is to create an enabling environment for private business to flourish (Gilbert 2005:6) with governments that focused much on economic investment and left the provision of public goods and services to the non-government institutions and individuals (Gilbert 2005:6). This drive was known as Civil Service Reform (CSR) in the UK, especially under the Thatcher Administration (Lukumai 2006:3).

According to Heywood (2002:366–367), NPM principles took a significant step further with the launching of the “Next Step Initiatives” by the Thatcher Government in 1988. These were the beginning of dismantling formally “unified national administration”, and imposing a restriction to “core business” on government ministries (Panchamia and Thomas 2014:1). Responsibilities for policy implementation were generally handed over to “Executive Agencies” in Sweden; or “Next Step Agencies” in the UK (Heywood 2002:366–367). As a result, by 1996, 70% of the UK civil servants were working in Next Step Agencies, while a growing number of public works were being contracted out to private companies (Heywood 2002:367).

Besides New Zealand and the UK, NPM principles were also aggressively implemented in a number of countries such as Switzerland and The Netherlands (Uwizeyimana and Maphunye 2014). Noordhoek and Saner (2005:36) argue that NPM was actively propagated to Switzerland in the early 1990s. The “NPM principles were proposed to Swiss and Dutch administrations as *condicio sine qua non* to achieve a modern form of public administration” (Noordhoek

and Saner 2005:36). As a result, the Swiss Government “undertook massive implementation of NPM modelled reforms at different levels of government and by 1998, 24 out of 26 cantons (provinces) had started NPM projects of small or larger scope” (Noordhoek and Saner 2005:36).

These reforms had mixed results. There were close similarities between the implementation of NPM in Switzerland and the Netherlands. According to Noordhoek and Saner (2004:38), the Netherlands adopted a more market oriented approach as a result of an economic decline, as was the case in developing countries. NPM principles such as “deregulation and privatisation” could be found within the Dutch public administration from 1983 onwards. A few years later, the premises of NPM had been explicitly or implicitly rejected (Noordhoek and Saner 2005:36). By 2008, Curry (2014:11) argued that “many public administration reforms that support financial goals identified after the 2008 global financial crisis still conform to patterns of reform that existed before 2008”.

One of the criticisms that led to the rejection of NPM was its ignoring the socio-economic realities on the ground. For example, NPM inspired autonomous organisations were accused of ignoring the effect of their sudden high prices for public services after privatisation of services (Noordhoek and Saner 2005:36). Dutch citizens also argued that NPM’s market oriented values lacked aspects such as legality and, even to a degree, democracy, which are the leading values for governmental action in a “state founded on law” (Noordhoek and Saner 2005:38–40, in Uwizeyimana and Maphunye 2014:96). However, the fact that the implementation of NPM principles in their countries of origin seems to have soon run into trouble, did not stop NPM implementation in developing countries as discussed in the following paragraphs.

CONTEXT OF THE IMPLEMENTATION OF NPM PRINCIPLES IN DEVELOPING COUNTRIES

Manning (2001:297–308) argued that NPM was not extensively applied outside of its native settings namely the Organisation for Economic Cooperation and Development (OECD), and the Commonwealth. According to Manning (2001:297), even where NPM principles had been applied: “It has certainly been applied less often than the frequency with which the label has been used” and has generally failed (Manning 2001:297). It was also argued that “the direct contribution of NPM principles to public sector responsiveness or efficiency outside of the OECD has been slight at best, and it has possibly been positively harmful in some settings” (Manning 2001:297, in Uwizeyimana and Maphunye 2014:96).

Nonetheless, in his analysis of the effects of “*NPM principles in the Sub-Saharan African Context*”, Uwizeyimana (2009:1) argued that no developing

country had been immune to the implementation of NPM principles. He also argued that the reasons, motives and expectations for the implementation of NPM principles varied from country to country (Uwizeyimana 2009:32). Thus the need for the implementation of NPM principles was variously driven by ideologies in response to citizens-taxpayers' demands for improved public services, for minimising the role for government at all levels, for reducing taxes and for increasing private sector participation in developed Northern countries such as the UK and the USA (Uwizeyimana 2009:32).

According to Lukumai (2006:3) the implementation of NPM principles in developing countries was driven by different motives.

“Civil service reforms in developing countries are driven by Donors' countries/ Multilateral Institutions and not like the reforms made in developed countries like in the UK under Thatcher regime, the USA i.e. National Performance Review (NPR) under Al Gore commission (named Sand in Oyster) and that of New Zealand which were home-grown though they all aimed at improving civil service performance”.

Another motivation for implementing NPM principles especially in transition economies or “new democracies” was to break down authoritarian institutional structures, and to accelerate liberal democracy and economic market reforms (Kiggundu, in Minogue, Polidano and Hume 1998:156). In developing countries, especially in Africa and South America, NPM principles were direct consequences of the early experiences of the Structural Adjustment Programmes (SAPs) brought by the International Monetary Funds (IMF) and the World Bank (WB) in the early 1980s (Kiggundu *et al.* 1998:156; Tangri 1999:38; Mitchell 2000:3; Osei 2002:3; Mutahaba and Kiragu 2004:51–72; Uwizeyimana 2009:34). Another important difference between NPM implementation in developed and developing countries is that, as Lukumai (2006:3) argues, “the reforms made to ... developed nations were financed from their national treasuries while those made in developing countries had dependency on donor's financial and advisory support”.

The WB Report of 1989 showed that privatisation was an absolute aid conditionality imposed on developing country governments by the IMF and the WB (World Bank Report 1989:60, in Ahluwalia 2001:54). Any country which did not accede to the essential services privatisation blueprint of the IMF was not allowed access to debt or financial assistance (Common 1998:440–448; Björkman 2003:2 and Baird 2004:3). The aim of the IMF and the WB, privatisation programme was to force governments to reduce their debt, possibly raise funds for new project investments and to introduce liberal democracy (Uwizeyimana 2009:35). In the 1980s, government expenditure in developing

countries rose while at the same time their economies were significantly declining and their debt and interests' rate reaching up to 80% of their Gross Domestic Product (GDP) (Kiggundu 1998:156). Economic crisis, but also acute dependency on foreign aid left many developing countries with no choice but to officially accept the SAPs conditional requirements (Tangri 1999:38). Despite being an economic powerhouse of the African continent, South Africa was not spared the IMF pressure on developing countries to implement NPM, and more specifically to privatise the State Owned Enterprises (SOEs), including basic services like water (Harvey 2003:4). This will be discussed further in terms of the Growth Employment and Redistribution (GEAR) policy.

NPM PRINCIPLES SHAPING THE RESTRUCTURING OF WATER SERVICES IN SOUTH AFRICA

According to the Coalition Against Water Privatisation (CAWP) (2004:4) the African National Congress (ANC) promised in 1994 that it would redistribute wealth to the people, especially the African/Black community who had been impoverished because of Apartheid discriminatory policies. The ANC promised to provide the people with basic services as embodied in the Reconstruction and Development Programme (RDP) (Harvey 2003:5). Initially, the ANC proposed heavy state intervention and even nationalisation policies for the South African economy; at least until 1994 (Schwella 2003:4). This was changed when the RDP programme was found to be too ambitious to achieve its intended goals of "redistributing a substantial amount of land to landless people, build over one million houses, provide clean water and sanitation to all, electrify 2,5 million new homes and provide access for all to affordable health care and telecommunications" in a period of five years (ANC 1994:2–3; Roux 2011:196–197, in Uwizeyimana 2011:208). NPM principles have been highly influential in shaping Public Sector Reforms (PSR) in post-apartheid South Africa (Cameron 2009:912). However, the World Bank's Structural Adjustment Programmes (SAPs) are often viewed as the main vehicle by which NPM principles were transported and extended into some sub-Saharan African countries (Mutahaba and Kiragu 2004:51–72). Under the influence of the IMF and WB, the ANC replaced the RDP with GEAR in 1996 (Uwizeyimana 2011:203). GEAR is a neo-liberal market-led macroeconomic strategy whose objective was mainly to roll back state intervention in many economic sectors of South Africa (Naidoo 2003:7). Indeed, some authors such as Bond (2003:2) and McKinley (2004:2) refer to GEAR programmes as "home-grown SAPs". "GEAR was developed in total secrecy by a group of pro-market economists of the Ministry of Finance and experts from the WB and IMF" (Harvey 2003:8). In 1996, GEAR was introduced to Parliament

by the then Minister of Finance, Trevor Manuel, in the form of a non-negotiable document (*Sunday Times–Business Times* 16 June 96, in Meyer 2000:2–3). Following GEAR's introduction to Parliament as a non-negotiable ANC policy in 1996 (Roux 2011:197) the Ministry responsible for the implementation of the Reconstruction and Development Program of South Africa was abruptly closed (Naidoo 2003:7). According to Bond (2003:2), the adoption of GEAR as a home-grown SAP was a direct response to international investor demands. There is therefore no doubt that “NPM principles have been highly influential in shaping Public Sector Reforms (PSR) in post-apartheid South Africa” (Cameron 2009:912).

Thabo Mbeki, as the former president, admitted that “the ANC government cannot be expected to elaborate on solutions that are insulated from the influence of the IMF and the WB, as is happening in the rest of the world” (Klein 2011:2–3). According to Klein (2011:2–3) in order to make sure the message was loud and clear to traders who attended the press conferences in New York and London, in which the GEAR plan was publicly launched on 14 June 1996, Mbeki remarked, “Just call me a Thatcherite”. However, contrary to popular belief that GEAR represents the ANC's U-turn from the RDP's preference for public sector provision and growth through redistribution (McDonald and Pape 2002:23, in McKinley 2004:2) a closer look at the RDP policy document shows some influences of NPM principles. An investigation into the RDP policy document published in 1994 shows that most “market-oriented principles”, such as the “recognition of the market value of water” and the “...tariff-structure” were already envisaged in the RDP before the adoption of GEAR in 1996 (RDP 1994:28–31, in Uwizeyimana 2009:60).

Nevertheless, even though NPM principles were envisaged in the RDP document it is in terms of the GEAR strategy that municipalities were mandated by law, “to provide basic services on strict private business principles, within the context of decreased public and social spending” (CAWP 2004:4). McKinley (2004:1) considered GEAR to be “a clearly neo-liberal macro-economic framework” because; according to him, “it is under the GEAR framework that the delivery of basic services was to be privatised in various ways”.

SELECTED ELEMENTS OF NPM PRINCIPLES IN THE WATER SERVICES OF THE COJ

According to the Water Dialogues (2009:5) during the first period (i.e. from April 2001 to June 2006) both a corporatisation model and a management contract were implemented in the Coj, while during the second period (from 2006 to this date) only a corporatisation model is in operation. This section highlights some elements of NPM principles identified in the management of water services of the Coj.

Management Contract

According to Sansom, Franceys, Njiru and Morales-Reyes (2003:21) “Management contracts” are comprehensive private sector involvement arrangements where government or a public authority transfers “the management responsibilities” of activities such as Operation and Maintenance (O&M) of the water supply distribution system or subsystem to a private contractor. In a management contract, government retains the overall responsibility for service provision and the responsibility to provide both operating and capital investment, the responsibility to determine service standards and the cost recovery policy (Tayler and Warrack 1998:83). Management contracts usually last between 3 to 5 years and can be renewed (Earle 2001:2). Initially, the CoJ achieved this by giving the responsibility to provide water and other basic services to private companies (while keeping some shares) (Schwella 2003:4; CAWP 2004:4).

The first step in the process of introducing NPM principles in the water services in the CoJ was the formation of Johannesburg Water (JW). According to the South African Local Government Association (SALGA) (2011:2) “JW was incorporated as a private company on 20 November 2000 but started operating as a business on 1 January 2001”. JW then entered into the following two contracts with the then Greater Johannesburg Transitional Metropolitan Council (GJTMC). The GJTMC subsequently became known as “the Greater Johannesburg Metro Council (GJMC) after the municipal elections in 1995 (Van Rooyen, De Wet, Marais and Korth 2009:66) and is referred to as CoJ in this article:

- “A Sale of Business Agreement in terms of which the GJMC transferred its water and sanitation assets and over 2 500 employees to JW. JW paid the City R1,5 billion paid for its water and sanitation assets.
- A thirty year Service Delivery Agreement which provided inter alia that initially 60 per cent of the City’s customers would be transferred from the City to JW in order to enable JW to carry out meter reading, pre-edits of billing, credit control and revenue collection functions.

By these means JW was set up to be a Water Services Provider to the GJMC, with its mission “to provide all people of Johannesburg with access to quality water and sanitation” (SALGA 2011:2). As part of the formation of JW, it was agreed by the GJMC that an international company with expertise in water and sanitation services be contracted to establish JW on a sound and viable footing (SALGA 2011:2). Then a private company consortium called the Johannesburg Water Management (Pty) Ltd, or JOWAM won a five-year water management contract from 1 April 2001 to June 2006 (Chand 2004:1; SALGA 2011:2). The partners in the JOWAM venture were Ondeo (water subsidiary of *Suez Lyonnaise Des Eaux* one of the biggest French trans-national firms in the water

business), Northumbrian Water (a UK water company, which was acquired by *Suez Lyonnaise Des Eaux* in 1996) (Chand 2004:1) and Water and Sanitation Services South Africa (WASSA), the South African local service which is also a subsidiary of Ondeo (Chand 2004:1). The functions of JOWAM included: the day to day management of water and wastewater services; billing of customer services, extensive training and capital expenditure programmes management (JW Press Statement on 14 February 2001). According to SALGA (2011:2) “the financial cost of the management contract to JW was R67 million, this consisted of R64 million to JOWAM and R3 million to an independent auditor”. JOWAM’s five year management contract was said to have been effective to the point that “JWs total turnover was approximately R11 billion” (SALGA 2011:2). At the end of its five years contract in 2006, JOWAM and the Johannesburg City Council transferred all the water assets to JW. JW remains the Water Service Provider (WSP) for the CoJ and CoJ Council remains the main shareholder of JW at the time of writing this article (2015).

THE RESULTS OF NPM PRINCIPLES IN THE WATER SERVICES OF THE COJ

This sections uses the NPM toolbox as described in Table 1 to identify some of the manifestations of NPM principles in the water services of the CoJ. The objective of this article is not to provide an exhaustive list of all the possible manifestations of the NPM in the water sector in the CoJ but just to identify some of the most notable results of the corporatisation process that took place in the water services of the CoJ since the launch of the *iGoli* 2002 Plan. These are: corporatisation/commercialisation, changing the role of the CoJ Council, devolution or transfer of authority to other role players in the provision of water services, separation of policy formulation from policy implementation, the introduction of market principles, the introduction of competition in the selection process of who gets the contract to manage JW and the opening up of competition for management positions from outside the public sector. These are further discussed in the following paragraphs.

Corporatisation/commercialisation

The JW management arrangement after June 2006 has been corporatisation (Harvey 2003:84; The Water Dialogues 2009:5). The terms corporatisation and commercialisation are often used interchangeably (Smith 2005:5). According to Nestor and Mahboobi (1999:13) ‘Corporatisation/commercialisation’ is the “transformation of SOEs into commercial companies, subject to legal requirements

and obligations, and having the same legal governance structure ... [as] any other commercial business entity". Corporations are formed as autonomous commercial enterprises with a Board of Directors and are often fully owned by Government (Hansen 2005:1). Corporatisations or commercial utilities are often the model put forward in opposition to full privatisation (Earle 2001:2).

The purpose behind creating commercial utilities (i.e. Corporatisation) is to separate commercial objectives (i.e. profit motives) from non-commercial (i.e. public/social) objectives of the SOEs (Nestor and Mahboobi 1999:13). The application of "ideal – type" market institutions (norms, rules and principles) leads to the separation of commercial objectives from social objectives (Nestor and Mahboobi 1999:13). This is very similar to what Minogue (1998:20) referred to as the creation of New Executive Agencies in the UK. According to the CAWP (2004:6) JW's Board consist of "ten new-style business experts". According to Thale (2003:1–2) the commercialisation of water (and other public services) by the CoJ was a result of the *Igoli* 2002 Plan. A key part of this plan was to establish the following self-contained independent companies to manage service delivery functions (SALGA 2011:2):

"Utilities were established to manage the three major trading services, i.e. water and sanitation, electricity and refuse collection. Agencies were established for those services such as parks and cemeteries and roads, which were funded from the rates accounts. Corporatised entities were established for services that could attract user fees, such as the civic theatre, the zoo and the bus services" (SALGA 2011:2)

Utilities were established as Section 21 registered companies tasked to run on strict business lines with their own Managing Directors (MDs) and a Board of Directors (Thale 2003:1). The managers of these Utility companies were tasked to make their operations financially viable (Thale 2003:1). The JW (Utility) was mandated to enter into service contracts with the CoJ Council (Thale 2003:1–2). However, as noted in the preceding section the CoJ went a step further and entered into a Management Contract running from April 2001 to June 2006, with a private company known as JOWAM in order to fully comply with the requirement of the *Igoli* Plan.

Changing the role of the CoJ Council

According to Osborne and Gaebler (in Minogue 1998:18) and Heywood (2002:367), the new role of government under NPM principles is to make policies and regulations, that is to steer, while private companies provide services on its behalf. In this new policy-making and regulatory role, government

must provide regulations to ensure that citizens receive adequate services at competitive prices (Estache and De Rus 2000: IX). The council of the CoJ as the Water Services Authority (WSA) regulates JW and has to see to it that the overall service provision by JW in its jurisdiction, is in line with the broad constitutional requirements and the National Water Act No 36 of 1998. The introduction of market principles in the CoJ water services thus changed the role of the Council from “a service provider” to a “regulator and monitor”, while maintaining 100% shares in JW (McKinley 2004:1).

Transfer of authority to other role players in the provision of water services

Devolution is the transfer of power from the central government to subordinate regional bodies without leading to shared sovereignty (Heywood 2002:422). Devolution of financial resources and decision-making powers to sub-national governments or institutions allows them to implement the functions and responsibilities delegated to them by a higher level or sphere of authority (Gatabazi 2014:53). Thus, according to Abrams (1996:3) the South African “Water Management Policies” aim was to enable the Department of Water Affairs and Forestry (DWA) as the first level and higher tier of Government, to delegate national water resource management functions to statutory second tier “Water Boards” to ensure a more integrated approach to water resource management and a greater participation of people at local government level. Water Boards are long standing institutional mechanisms to provide treated water to large consumers in bulk (Abrams 1996:3). They supply water directly to 3rd tier local government in their areas of jurisdiction (Abrams 1996:3). Table 2 depicts the institutional framework of the water management sector in South Africa.

Table 2: Institutional framework of water management sector in South Africa

1st tier	National Government Department of Water Affairs and Forestry	Water resource management, support to local government, setting of norms and standards, Monitoring and administration of the Water Act No. 36 of 1998.
2 nd tier	Water Boards	Supply of bulk treated water on commercial basis
3 rd tier	Local Government	Supply of water and sanitation services to consumers

Source: (Table 2 is taken from Abrams 1996:4).

Separation of Policy formulation from policy implementation

The separation of policy formulation from policy implementation is characteristic of the changing role of government when NPM principles are implemented

(Minogue 1998:149–161). The CoJ has only to see to it that water services have been provided and, in consultation with JW to set water tariff etc. (Harvey 2003:181). The CoJ is not involved in the day to day water service provision, infrastructure, or tax collection and administration. JW (i.e. the utility) does these on its behalf (McKinley 2004:1). Before April 2006, JW used a private contractor (JOWAM) to do all day-to-day management activities, although this responsibility reverted to the JW Board of Directors when the JOWAM contract ended in June 2006 (Uwizeyimana 2006:107).

Introduction of market principles

The JW was instructed by the CoJ to operate on strict “market principles” (Thale 2003:2). In order to become self-funding, it had to recover all the services provision costs from its customers and not from the CoJ. It had to earn profits in an effective, efficient and economic manner (Thale 2003:2). In order to achieve this JW introduced Pre-paid water meters in many communities, including the Johannesburg townships of Soweto and Orange Farm (Bond n.d.:1), where it was believed to be difficult to get the residents to pay for water (APF 2007:1). With pre-paid water meters, the initial 6kl of free water per household is dispensed automatically each month and additional water “only after and in proportion with the amount of money paid” (CAWP 2004:7). Thus JW applies a “No pay-no water” principle (CAWP 2004:7). With pre-paid water meters no water is wasted, no debt is incurred, the cost is recovered and profit is made as a result.

Competition

According to the *Local Government Municipal Systems Act 32 of 2000* a competitive, fair, transparent, equitable and cost-effective bidding is compulsory whenever municipalities decide to involve another institution, entity, or person to provide a service on its behalf (Local Government Municipal Systems Act 32 of 2000:74–78). Seven joint ventures of leading water companies were accordingly pre-qualified to bid for the CoJ water Management Contract in February 2000. (Sansom *et al.* 2003:44). Among these were Concor Thames—a joint venture between Concor, (a South African construction company) and Thames Water International, (a UK based water company). The seven bidders also included the Water and Sanitation Services South Africa (WSSA)—a joint venture between South Africa’s Group Five and a French water multinational *Suez Lyonnaise des Eaux* now renamed ONDEO Services (one of the biggest multinational firms in the business of water); and *Société d’Aménagement Urbain et Rural* (SAUR)-SA; (Water Utility Partnership- WUP 2000:3). The water management contract in the CoJ was won by JOWAM (Harvey 2003:13).

Although a number of private companies were involved in the bidding for this contract, Harvey (2003:13) argued that the process of bidding itself was notably not competitive. For example, ONDEO, the leading company in the winning JOWAM, had influenced the selection by financing the trip of Johannesburg councillors to Agua Argentina, (owned by ONDEO Services) in Buenos Aires as a fact finding tour (Bond 2006:3). Besides, “in an interview with Ebrahim Harvey on 11 December 2002, Patrick Ayoub, the CEO of WSSA”, (a party to the winning bid) disclosed that “What helped our [i.e. JOWAM’s] bid was that we had a few people employed by us who had before worked in the city’s water department” (see Harvey 2003:113). Based on this information, it could be argued that the bidding process for the “Management Contract” for JW was not competitive (Harvey 2003). However, the contract involving the French and UK multinational companies ended in 2006 and the management of the water utility fell back to JW, which is currently managed by people, some of whom were trained during the JOWAM management contract (2001–2006).

Opening up appointments of managers from outside the public sector

According to Coalition against Water Privatisation (CAWP) (2004:6) all ten members of the JW Board were “new-styled South African business experts” with a CEO background and experience in the “banking or insurance industry”. They all came from the private sector and brought their experience in running and organising private business, on the basis of the 3Es noted above. While the appointment of the JW Board members was said to be open for people from outside the public sector to apply, it is beyond the scope of this article to verify that what is claimed is actually taking place in terms of the appointment of JW’s staff. Following is a brief analysis of some of the successes of the implementation of NPM principles in the water services of the CoJ.

Reduction of Unaccounted For Water (UFW) and financial savings

The implementation of the NPM principles in the water service of the CoJ has been credited with a number of successes. Among these are the reduction of UFW and financial savings. The two major causes of Unaccounted For Water (UFW) also known as “lost water” were “high volume of water consumption by non-paying consumers and the deemed consumption charge approach”, and “the system losses” (Uwizeyimana 2006:81). According to Davie (2002:2) billing based on “deemed consumption” (about R52.90 per per month) in low-income areas caused high water consumption, and did not encourage residents

in low-income areas to save water or fix or report leakages when they occur. For evidence, outside the deemed consumption areas the level of UFW was 21% or just 15 000 litres per each km of pipeline (Davie 2002:2), in line with acceptable international standards of between 20% and 25%, while in Soweto (one of the places where billing was based on deemed consumption), the level of UFW was as high as 62%. This was far higher than the overall national average of 43% at that time (Smith 2005:14).

In order to deal with high levels of UFW problems, the CoJ introduced prepaid meters as part of its R800m infrastructure upgrade called Operation *Gcin'amanzi* ("Conserve Water" in the isiZulu language) (CoJ 2015:1). Molatlhwa (2015:1) reported that "So contentious was the City of Johannesburg's decision to install the meters in some areas such as Phiri, Soweto in 2004 that the matter caused violent protests before landing up in the High Court of Johannesburg, the Supreme Court of Appeal and eventually the Constitutional Court".

Residents in several informal settlements of the CoJ (especially in Phiri) "opposed the installation of the meters on the grounds that most were unemployed and would not be able to afford buying water while others complained about the free monthly allocation of 6kl of water being inadequate" (Hansen 2005:1 and Molatlhwa 2015:1). In spite of strikes, some of which were violent as people took it upon themselves to bypass or vandalise water meters installed by JW, "the Constitutional Court ruled in favour of the CoJ in 2009, declaring the water meters lawful" (Grootes 2009:1 and Molatlhwa 2015:1). It was estimated that JW had installed about 90 000 prepaid meters through *Operation Gcin'amanzi* since 2010 (CoJ 2010:1). This figure suggests that 90 000 households out of 162,000 households in Soweto had prepaid water meters by 2010.

According to the report released by the CoJ (on 12 January 2006) the level of UFW has been dramatically reduced, from 43% [the overall average] to 32% over the past five years (2001–2006). These levels were expected to improve further as operation *Gnin'amazi* was rolled out to other informal settlements of the CoJ (COJ 2011:1–2). As of 2011, the *Agence Française and Développement* (AFD) reported that:

- "162 000 households benefited from the water service improvement in Soweto
- An 84% decrease in the water consumption had been observed in households benefiting from an intervention, that is 55 400 litres per household every month;
- More than 55 million cubic metres of water were saved, this represents ZAR 183,6 millions
- The project generated 1 268 local jobs" (AFD 2011:1–2).

The AFD's claims were confirmed by JW which also reported that "its Operation *Gcin'Amanzi* intervention has reduced monthly household consumption from

66kl to 12kl” (Molatlhwa 2015:1) and that “the total water saved since the project started in areas of intervention as of 2013–2014 amounted to R880m (225 149 352kl, cumulative)” (Mavimbela, in Molatlhwa 2015:2). The claimed savings of UFW translates into an average of 25 283 605kl per annum (Molatlhwa 2015:2).

Thus while the UFW savings could mainly be the result of the JW’s “no pay no water” approach and while the decision to install prepaid water meters remains unpopular in the affected communities, the statistics reported by JW suggest it has yielded dividends of more than R800m as of 2014 (CoJ cited in Molatlhwa 2015:2). If one takes into account that the costs of the CoJ infrastructure upgrade was estimated at R800m, then one could argue that the process has managed to pay for its cost. However the associated socio-economic challenges should be kept in mind. Following is a brief summary of how water tariffs have increased between 2001 and 2015, the consequences of these water tariffs increases on poor households and the strategies applied by the CoJ to mitigate the negative impact of water tariff increases on the poor households.

Affordability of water

According to Cloete, Merrifield and Masiteng (2003:3), development policies are seen as public policies to raise the quality of life of a society’s citizens on a medium to a long-term basis. The South African Government has done well in providing free water services, but the 6000 litres of free basic water provided to households is too little, even for the family of eight people it was budgeted for (i.e. 25 litres per person per day) (Cottle 2002:2; Bond 2003:2). To illustrate this problem, if one flushes the toilet once, 12 litres (almost half of the water for the whole day/person is gone) (ACWP 2004:13). A second issue is the number of persons actually accessing a single water supply point, In the case of Phiri (one of the Johannesburg townships in Soweto) “the household sizes were found to be large in comparison with a household size of eight, which is the basis of the six kilolitre (kl) per month free basic water clause allocation” (Hansen 2005:16). It could be argued that the actual access to free water per person is well below the official daily allocation of 25 litres per day per person, which might itself be unrealistically small.

The insufficiency of the official free water service partly explains why earlier research conducted by CAWP (2004:14–16) suggested that about “64% of the Phiri residents were likely to reuse dirty water at home, and not to wash hands as often as necessary” or not to flush the toilets (except after using it many times) as just some of the strategies they use to cope with this limited access to water (CAWP 2004:16, in Hansen 2005). This was contrary to the arguments of Kerf and Smith (1996: IX) and Brook and Irwin’s (2003:V) that water privatisation can reduce the cost and make services cheap and easily accessible to poor people. McKinley and Ngwane (2004:1) argued that since CoJ water supply was commercialised

in 2001, water tariff had cumulatively increased. An increase of water tariff is generally problematic because for one thing, it leads to water disconnections in low-income areas (Harvey 2003). According to Table 3 all water consumption tariff bands (except the 6kl free water band) have increased since 2001 to 2014.

Table 3: Charges for the supply of watered meter in the CoJ (2001–2013)

Blocked tariff scale after July 2001	2004/2005	2005/2006	2014/5 – Charges for the supply of metered water—for the supply of water to any dwelling unit and its outbuildings if such a dwelling unit has its own meter supplied by JW and is used for residential purposes		2014/5 – Indigent People ¹ who consume more than the free basic water level
			2014/5 – Charges for the supply of water to any dwelling unit and its outbuildings – where a residential pre-paid meter has been installed.		
1 to 6 kl	Free	Free	Flat Rate or deemed consumption ²		
6> to 10kl	2.73	2.95	R6.18	R4.78	R4.78
10> to 15kl	3.50	3.50	R9.97	R6.35	R6.35
15> to 20kl	5.45	5.45	R14.06	R11.65	R11.65
20>to 30kl	7.50	7.50	R18.46	R17.67	R17.67
>30 to 40 kl	9.15	9.15	R19.67	R18.84	R18.84
>40kl			R24.21	R24.01	

Source: (Table 3 was created by the author on the basis of JW 2001, JW 2006/ 2012 and 2014)

Comparing the water tariffs of every category in the water charge structure shown in Table 3, it can be seen that the water tariffs of the 2014/5 financial year were more than double those of the 2004/5 financial year. For illustration purposes, the cost of 6 to 10 kl which was R2,73 per kilolitre in 2004/5 was R6,18 in 2014/5.

CoJ strategies to deal with water tariff increase shortcomings on the poor

It may be that after realising that 6kl per household was not sufficient and that poor households were not able to afford the cost of additional water, as argued

Table 4: Water charges to indigent households consuming more than free water categories

Water consumption Quantity	6kl	7–10kl	10–15kl	15–20kl	20–30kl	30–40kl	40kl>
Indigent/Residential Area/Unit	Free	R4.78	R6.35	R11.65	R17.62	R18.84	
Indigent Erven	Free	R4.78	R6.35	R11.65	R17.67	R18.84	R24.01

Source: Table 4 is based on (CoJ 2014/5:28–29).

above, the CoJ and JW management had to come up with a new strategy to help the indigent people. On top of the free water estimated at 6kl per month per household/or Erf, different bands (or categories) of vulnerable people were provided with “additional free water per person or Erf per day” (CoJ 2014:28–29). Three bands of vulnerability were defined by the CoJ and each received a different amount of free additional water per person per day depending on their circumstances. According to the CoJ (2014:28–29):

“Band 1 refers to individuals /households within a vulnerability range defined by the approved index” (CoJ 2014:28–29). Band 2 refers to individuals/households with some formal income that nonetheless falls below the survival range threshold set by the approved index. Band 3 refers to individuals/households with no formal income from either grants or employment, or incomes below the individual survival level of R787,68 per month”.

Band 1 which is scored between 1 and 34 points in terms of the CoJ Poverty Score qualifies for additional free water of 25 litres per person per day which is capped at 10 kilolitres per month (CoJ 2014:28–29). Band 2 with scores between 35–70 points qualifies for 35 litres of additional free water per person per day capped at 12 kilolitres per month and finally Band 3 with scores of 71–100 points in terms of the CoJ classification receives 50 litres of free additional water per person, per day capped at 15 kilolitres per month per Erf (CoJ 2014:29). Different bands receive different quantities of additional free water if the household meets at least 50% of the CoJ registered social package requirement for the band in question in order to qualify for one of the three monthly allocation of free water capping (CoJ 2014:31).

In addition to these different bands of free water allocation, some indigent people may qualify for another additional annual allocation of an “emergency water of 4kl” (CoJ 2014:30). However, any water consumption above the 6kl free water, plus additional free and emergency water allocations described here is charged as follows for the indigent residential units and Erven.

Table 4 shows that the indigent people still pay for water consumption above the different categories of free water described in this article.

The good thing is however that the “Flat rates” charge, that is the charges for un-metered settlements which increased from R52,90 in 2001 to R73,65 in 2005 has now been reduced to R 38,26 per dwelling unit per month in 2014/5” (CoJ 2014:35). According to that source the flat rate is generally charged for “households within the area of Alexandra as defined and set apart by Proclamation No. 9 of 1964 Gazette No 699 dated 24 January 1964 in terms of the Better Administration of Designated Areas Act, No 51 of 1963 and [any other area where] it has not been possible to assess metered water consumption over the past 12 months” (CoJ 2014:35).

CONCLUSION

The objective of this article is to analyse the manifestation of the implementation of NPM principles in the management of the water services of the CoJ. The term NPM was taken to mean the incorporation of private business management techniques in public sector management, and transferring government functions to private institutions. NPM principles identified in the CoJ’s water services are a result of corporatisation/commercialisation of the water utility known as JW. This led to the introduction of a Management Contract. The Commercialisation and Management Contract arrangements have greatly changed the role of the CoJ, which is what NPM principles are all about: limiting the role of government to one of steering and not rowing.

The Commercialisation and Management Contract changed the role of the CoJ Council from being the service provider to the regulator because its earlier role of providing water services was transferred to JW. This management arrangement led to the separation of policy formulation from policy implementation as suggested by the NPM principles and helped to introduce market principles in the provision of water in the CoJ. Also, the introduction of private business management principles brought some level of competition into the bidding process for allocating the Management Contract (2001–2006) and facilitated the hiring of CEOs from private companies who brought the necessary management skills to run JW. These managers and CEOs with private company experience and skills have helped to reduce the levels of Unaccounted for Water and improved the collection of revenue from places where it was previously difficult to do so.

Therefore, the findings in this article show that NPM principles are still vibrant at least in the water services of the CoJ; a city on the developing world. Thus, the claim of the desuetude of NPM principles is rejected. It is highly recommended that further research be done on the consequences of commercialising basic

services such as water in a community which has a large section of poor and unemployed people.

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Conceptual and Process Variables Influencing the Measurement of Local Government Capacity Building

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ABSTRACT

This article focuses on what measuring capacity building in local government entails and aims to contextualise the main contextual and process variables influencing the measurement of local government capacity building. The article starts with providing a background and rationale to contextualise measuring/assessing capacity (not linked to performance planning). This is followed by an explanation of the need to evaluate local government performance. Conceptual variables that are associated with measuring capacity building, for example, indicators (with a focus on four types of indicators: development indicators; performance indicators; differentiation indicators and capacity indicators) are explained. To address a current debate, capacity indicators versus performance indicators is also dealt with. Targets, demand, benchmarks, triggers and levers are also considered. A discussion on the design of capacity indicators in terms of the product, performance or outcomes, and permanence or the sustainability issue, and skills utilisation and productivity follows to contextualise capacity building strategies and indicators.

RESEARCH APPROACH, BACKGROUND AND RATIONALE

The research approach for the purposes of this article entails a desktop conceptual analysis by way of a documentary and a literature review. To provide

a theoretical underpinning for the analysis, the issues that are addressed are "...conceptualization, specification of variables... and the operationalization or implementation of those variables" (Auriacombe 2006:631). The article worked with data that "already exists although it may be unknown at the start of the research and only comes through the investigation... as data collection and analysis progress, the...researcher synthesises the data and writes it up. This is analogous to the creation of a review of the literature" (Auriacombe 2007:467).

According to Leedy (1993 in Auriacombe 2006:631) measurement entails, "limiting the data of any phenomenon – substantial or insubstantial – so that those data may be examined mathematically, and ultimately, according to an acceptable qualitative standard". Auriacombe (2001:xvii) states that without concepts, science would not exist and communication between individuals and scientists would not be possible. A concept is the name that is given to any occurrence, phenomenon, element or object in an individual's experience. As soon as corresponding occurrences/events, phenomena, elements or objects are placed in the same class and the class is given a name, a concept is used. A concept is thus a thorough construction, and abstract idea that refers to a class of phenomena. Concepts remain abstracts of reality, however, and never become reality. To be of significance, however, concepts have to be clarified.

Babbie and Mouton (2005 in Auriacombe 2006:631) state that conceptualisation refers to "the process of specifying the vague and mental imagery of our concepts, sorting out the kinds of observations and measurements that will be appropriate for our research". According to Babbie and Mouton (2005 in Auriacombe 2006:632), "the product of this conceptualization process is the specification of one or more indicators or what we have in mind, indicating the presence or absence of the concept we are studying". At this level, one moves from the language of concepts to specifying different variables and indicators (Auriacombe 2006:632). "A variable is a descriptive or analytical attribute that can take on different varying values under different conditions (Auriacombe 2006:633).

Capacity and capacity building are terms that are not tightly defined in practice and are used in a broad and loose fashion. Lack of capacity is often used as a 'catch-all term' to describe and explain everything that is currently wrong in local government. The National Capacity Building Framework (NCBF) (2012:5–9) defines capacity "as the potential for something to happen" and describes it as a multi-dimensional concept with three inter-related core elements—individual capacity, institutional capacity and environmental capacity.

- **Individual capacity** is the potential or combination of staff members' qualifications, experience and competence (knowledge, skills and attitude); as defined during the Local Government Skills Audit, or lack thereof, which is found within persons (staff) and is required for the specific jobs that

staff occupy. This is normally reflected through the staff members' specific qualifications, experience and functional/technical, managerial/leadership and generic competence accumulated through forms of education, training, development, experience, networks, values, membership of a professional body and so on.

- **Individual capacity building** is any process that increases the capability of individuals to be functional or perform or deliver a service.
- **Institutional capacity** is the potential or competency (or lack thereof) found within municipalities. The aim in structuring a business unit and municipality should be to ensure that it is functional, performs and adequately delivers its services, that is, it has the operational capacity (NCBF 2012:5–9).
- **Institutional capacity building** refers to the process of creating more responsive, effective, efficient and accountable municipalities through relevant support, capacity building and training initiatives.
- **Environmental capacity** is the potential or competency, or lack thereof, found outside of the municipality's formal structures. The components that make up a conducive environment for a municipality to operate in must be deliberated on continuously. They are elements that a municipality has little to no influence or direct impact on but may be needed. It encompasses the socio-economic (eg. tax base), demographics, geography, non-municipal infrastructure, natural, mineral and environmental and non-municipal resources. Environmental capacity could be improved through amongst others an integrated strategy aimed at addressing development indicators and building of individual and institutional capacity (NCBF 2012:5–9).

The DCoG (2012:6) states that the National Capacity Building Framework (UNDP) recognises that successful and sustainable capacity building has remained an elusive goal and that despite the training of thousands of people, development undertakings have constantly faced a lack of necessary competence and weak institutions. In the main, this is due to the lack of ownership of most capacity building projects, the strong dependency on the donor community and foreign experts, and the tendency to concentrate on the training of individual competence without consideration of the larger institutional and environmental context.

It is clear that a necessary precondition for building the capacity of governments, public or private organisations, or firms; is the willingness and commitment of key actors within these institutions to introduce reforms geared at improving performance outputs. An organisation may have the technical capacity to accomplish a particular task, but without the strong commitment of its leadership, it may lack adequate resources and/or the appropriate regulatory framework to accomplish these tasks (DCoG 2012:6).

Measuring is necessary to address Shah's (2005:x) argument that globalisation, localisation, and the information revolution are empowering citizens to demand accountability from their governments. For such accountability to be an effective tool, measuring government performance for public service delivery is required. Overarching issues in this regard are –

- whether the public managers are doing the right things—that is, delivering services consistent with citizen preferences; and
- whether they are doing it right—providing services of a given quality at the lowest tax cost to citizens.

The UNDP (2005:3) argues that it stands to reason that to improve, one must first measure existing ability and know-how. Such an evaluation is of particular importance if financial, political or other reasons contribute a strong rationale for utilising and strengthening existing capabilities rather than starting from scratch.

A capacity assessment is an exercise undertaken to appraise the existing capacity of an individual or collective entity to perform key functions and deliver expected results. Thus, a capacity assessment links latent capacity with performance. A capacity assessment is an integral and indispensable part of any capacity building process. It may be conducted by an external assessor or be internalised as standard management practice. It can be an ad hoc event or can (and should) be part of ongoing management and programming processes (UNDP 2005:3).

Depending on the context of the problem and the resources available, a capacity assessment can be conducted at one or more levels: organisation, sector, or individual. But regardless of the entry point, a capacity assessment must take account of the interconnectedness of capacity issues between the targeted level(s) and the enabling environment (UNDP 2005:3).

Capacity measures are useful in several ways. They serve to (UNDP 2005:3–4):

- Support policy dialogue and strategy formulation: as part of analytical work that precedes development investments.
- Contribute to the detailed design of capacity intervention strategies: by being integrated into diagnostic work used to design development programmes and projects.
- Enhance monitoring and evaluation: by tracking process and progress with iterated assessments over time, thus improving capacity building programme design and effectiveness.
- Promote institutional learning and empowerment: as an internal learning exercise.
- Advocate for reform and transformation: by creating interest and desire for change for the better.

To decide on indicators one needs to know where you need or want to go and where you are starting. The DCoG (2012:4) further states that mainly, the difficulty in measuring capacity building is that:

- By definition, capacity building is a process, rather than a final outcome or an output (the results of capacity) which is more easily identified and quantified. Moreover, building capacity may lead to different degrees or levels of capacity attained.
- Measurements of capacity building may be qualitative in nature and involve a time- frame, since capacity is strengthened over time. More importantly, capacity building involves a complex process of learning, adaptation, and attitudinal change at the individual, institutional and environmental levels. Benchmarks used to assess degrees or levels of capacity are often based on subjective evaluations and partial or incomplete information. Identifying indicators and measurement tools that grasp these complexities and address these different levels of analysis is much more challenging and difficult than identifying indicators that measure outputs or outcomes.
- Moreover, focusing on capacity building is also less “glamorous” than focusing on results or outcomes. This also explains why fewer efforts have been made to measure this process and the capacity that leads to performance. Of course, one could indirectly measure capacity building by measuring performance outcomes. The logic is that if an organisation or institution has greater capacity to perform its functions, performance will likely improve. However, capacity and performance are not synonymous, and failure to distinguish between these concepts can result in misleading conclusions.

Thus, just as capacity building is a process so too is performance evaluation which is an important variable in terms of the concept of measuring.

EVALUATION OF LOCAL GOVERNMENT PERFORMANCE

Local government capacity building is one of the objectives that government aims to achieve and thus it forms part of evaluating local government performance of which crucial aspects are discussed below: Shah (2005:xxvii) tackles two important questions on evaluation faced in developing countries:

- What does good local government look like in the developing world?
- What factors should one consider when evaluating local governments?

The importance of such questions derives directly from the fact that decentralisation has become increasingly common in developing countries over the past 15 years. Local governments are increasingly required to play bigger

roles in providing services, alleviating poverty, and facilitating development. Given the important roles that local governments are being called to play, central governments and development organisations are starting to ask how well they are doing and how they can be improved, but resources for conducting such evaluations remain limited (Shah 2005:xxvii).

Shah (2005:xxvii) further attempts to identify criteria for evaluating local governments in developing countries through a mixed practice-theory approach. The practice element builds on existing evaluations practice at the local level in developed countries such as the United States (US), which typically focus on issues of legal conformance and fiscal health. The theory dimension introduces concerns about responsiveness, efficiency, and accountability; where the potential for gains in these areas are the dominant underlying arguments in favour of decentralisation and local-level governance. The approach recognises that local governments in developing countries face their own special issues, and that evaluation criteria identified for use in such settings must be easily accessible, facilitate an observation-based analysis and require limited resources.

The areas in which Shah (2005:xxvii-xxix) suggests that evaluation is crucial are:

- Legislative and process conformance: Local governments face legislative and process requirements related to setting up and upholding bylaws, generating and collecting revenues, following specific steps in resource disbursement, and providing services. Evaluating conformance to these requirements is important for ensuring the legality of local governance as well as for providing guidance to temporary limitations and complexities and even inconsistencies in the institutional setting in which local governments find themselves. This knowledge can help evaluators in determining why local government is performing as it is and in providing appropriate advice for remediation or improvement (Shah 2005:xxvii).
- Fiscal health: This area is important for evaluators because local governments are generally required (by national or provincial governments) to manage their fiscal matters carefully, ensuring that they do not overspend and that their expenditure is in line with their mandate as it is generally represented in the budget or stipulated in national-level policy documents or legislation. The most fundamental criterion for assessing fiscal health is the net worth of a government which incorporates its cash flows, its revenues and expenditures, and its assets and liabilities. This criterion can be derived from standard financial statements and budgets: High and sustained deficits and debt, poor allocations (with significant resources going to administration rather than to capital maintenance, for example), and a disjunction between planning allocations and implementation. These fiscal health evaluation criteria are also only as reliable as the budget and financial reporting process that determines

financial figures. Because of this, evaluations are directed to examine not only the figures reflecting fiscal health on the expenditure side, but also the processes by which expenditures are reported (Shah 2005:xxviii).

- Furthermore, because the literature stresses that fiscally healthy local governments should have their own reliable revenue sources, a fiscal health evaluation should analyse the size of the local revenue base (that is, the potential local resources available to the government) and the revenue effort on display (or the actual local resources raised as a percentage of the potential) (Shah 2005:xxviii).
- Responsiveness: The argument is that decentralisation in a democratic context should lead to greater responsiveness to constituent demands. The level of local, political influence on allocations, decisions and the level of civic participation in the decision-making process, are seen as two important aspects of the local government service provision process that relate to responsiveness. Where each is higher, one can expect a higher level of local government response to citizen demands. Apart from these process aspects, Shah (2005:xxviii) also emphasises evaluating responsiveness in terms of the anti-poverty perspective evident in budget allocations (Shah 2005:xxviii).
- As with responsiveness, theory presents potential efficiency and accountability gains as a major reason why governments should decentralise. Consequently, Shah (2005:xxviii) argues that efficiency and accountability concerns should also permeate an evaluation of local governments in developing countries. Specific evaluation criteria related to efficiency include the cost of production and the degree of competition in service production. Criteria related to accountability include the ability to observe governance processes; the information citizens have regarding local governance (transparency); the access citizens have to the governance process and their ability to express their voice to officials, and the specific laws and processes governments adopt to either enhance or reduce their accountability to citizens (Shah 2005:xxix).

Combining the discussion of the factors above yields an evaluation design in which a model local government would conform to legislation in process and structure; maintain its fiscal health (in outcomes and processes and in maintenance of a positive net worth); do the right things (be responsive) in the right way (with maximum efficiency); and be accountable to its constituents (in processes and for its outputs and outcomes) (Shah 2005:xxix).

In the end the question that must be answered is whether the requisite impact was obtained. Saunders (2011:2) informs that the International Organisation for Cooperation in Evaluation (IOCE) endorses efforts to improve impact evaluation (IE), also referred to as impact assessment, with respect to development, policy evaluations and development aid. "Impact evaluations examine whether underlying

theories and assumptions were valid, what worked, what did not and why” (The Presidency 2007:2). Each stakeholder will be required to compile an Impact/Outcome Assessment Report annually on those initiatives that are ready to undergo impact/outcome assessments; addressing such aspects as the correlations between investment and impact, providing recommendations and also indicating when other initiatives’ impact will be ready to be assessed (NCBF 2012:66).

This re-emphasis on the effects of interventions and policies is prompted by three drivers:

- Improving understanding: An urge to ‘make sense’ in complex environments. It can be articulated as an imperative in which evaluations might build knowledge of the conditions under which particular types of interventions might bring about improvements in citizen’s lives. Karl Weick (1995 in Saunders 2011:2) talks about making sense in terms of ‘active agents’ structuring the unknown. Eleanor Chelimskey’s formulation based on many discussions with practising evaluators speaks of ‘evaluations for knowledge’ (Chelimskey 1997 in Saunders 2011:2). In shorthand, one can identify the source of this impulse as a need to know more about how complex changes can be brought about by using a variety of levers, instruments and mechanisms (Saunders 2011:2).
- Better economic and social stewardship: An increasingly acute requirement that the large expenditure on social and economic change globally can be trusted as a good and worthwhile use of public funds. This is broadly called a social and political imperative. In this period public money will be under clear and rigorous scrutiny and, quite simply, there will be a diminishing source of funding for a large number of competing projects and policy priorities. In these circumstances, the need for transparency and equity in the distribution, use and effects of public spending becomes increasingly important. It is here that a robust and legitimate set of evaluative practices can play a role. Increasingly, evaluation is being understood as part of the process by which ‘policy learning’ or institutional growth and development might be encouraged (Saunders 2011:2).
- Improving method: The need for more certainty about what counts as a positive change and how we might know its attribution—while elusive and somewhat of a chimera—is growing in intensity. This hope creates a pressured environment and leads to renewed interest in experimental designs as a way of producing ‘certainty’. This is despite the ethical constraints inherent in an experimental design for an evaluation (Stryczynski 2008 in Saunders 2011:2). Barca states that the complex methodological issues which characterise the use of a counterfactual approach in the context of policy, suggest that the effort to promote impact evaluation as one of the methodological backbones of cohesion policy; must at the same time be visionary and humble (Barca 2009:180 in Saunders 2011:2).

In the light of these realities, the IOCE calls for a multiple method approach to impact assessments that does not consider any single method as first choice or as the 'gold standard'. This is in view of Howard White's (reported by Ben Ramalingham 2011 in Saunders 2011:4) and The Overseas Development Institute's (ODI) (a United Kingdom (UK) think tank on development) *Learning How to Learn Exhortation: Eight Lessons for Impact Evaluations that make a Difference* (in Saunders 2011:4). Saunders (2011:4) adapted White's points, and stated that evaluative practice should be shaped by the following challenges (Saunders 2011:4):

- Identify and strengthen processes to ensure that evidence is used in policy.
- Institutionalise the evaluation of effects and outcomes.
- Improve evaluation designs to answer policy-relevant questions.
- Make progress with carefully designed small scale evaluations of impact.
- Expand knowledge and use of systematic reviews.

Saunders (2011:4) further adds that evaluations should take account of:

- **Relevance:** The extent to which the aid activity and policy is suited to the priorities and policies of the target group, recipient and donor.
- **Effectiveness:** The extent to which an aid or policy activity attains its objectives.
- **Efficiency:** Measuring the outputs and outcomes in relation to the inputs.
- **Impact and effects:** References to positive and negative changes, (practices, systems, cultures and well-being) produced by a development intervention, directly or indirectly, intended or unintended.
- **Sustainability:** Assessing and analysing whether the benefits of an activity are likely to continue after donor funding has been withdrawn. Projects need to be environmentally as well as financially sustainable.
- **Inclusivity:** Identifying the extent to which intended beneficiaries and other stakeholders have participated in aspects of evaluation design, implementation and use.

Measuring, however, also takes place outside of the performance planning process and may be linked to amongst others capacity, as contained in the annual integrated capacity building plan and/or activities that stakeholders undertake to better understand the capacity challenges in their areas of mandate.

CONCEPTUAL VARIABLES ASSOCIATED WITH MEASURING

The following concepts are discussed below to provide a context and improved understanding of the variables that influences measuring capacity building in local government: indicators; targets; demand, benchmarks, triggers and levers; and skills utilisation and productivity.

Indicators

Cloete (2010:24–25) informs that, “An indicator is a measuring instrument used to give a concrete, measurable but indirect value to an otherwise unmeasurable, intangible concept...Subjective indicators are their own internal perceptions while objective indicators are externally measurable...Indicators can be devised in different policy sectors (social, environmental, cultural, economic, financial, etc). An indicator therefore gives an approximate value or indication of what one is looking for. It is a more concrete, but indirectly an operational substitute for an intangible concept... An indicator also does not have a life of its own. It is inextricably intertwined with the more abstract or intangible concept which it has been designed to clarify...Multi-dimensional concepts like ‘quality of life’, ‘poverty’, ‘inflation’, ‘consumer’ cannot be measured by a single indicator...They need combinations of indicators in the form of composite indices, leading to ‘social accounting’ ” (see also Miles 1989:16).

“Like any other quantitative technique an indicator can be selected, designed or applied with or without normative or statistical biases. If the concept that is to be measured is a normative or emotive concept it is probable that indicators devised to measure this will also contain normative biases. The point is the smaller the bias the greater the validity of the indicator...Policy indicators are useful tools in the evaluation process but should be applied in circumspectly to avoid criticism related to possible normative bias or quantificationism” (Cloete 2010:24–25).

Glaves, Harrison, Smith and Robinson (2008:14) state that indicators are measurable attributes chosen to evaluate the performance and effectiveness of policy for conserving and enhancing an environment. Indicators can serve a variety of purposes, including reporting (assessing progress towards stated objectives), communication (eg. to highlight an issue of particular public interest), and management (to help managers of ecosystems understand changes and to intervene).

The United Nations Agency for International Development (USAID 2000b:20) argues that indicators should be direct, objective, practical, and adequate. Once an indicator has been decided upon, it is important to document the relevant technical details: A precise definition of the indicator; a detailed description of the data source; and a thorough explanation of the data collection method.

De Landsheere (1994 in Kroukamp 2007:158) proposes that some characteristics of a good indicator, should be:

- politically relevant: It should address an important policy question or issue, but not necessarily politically driven, since answering only to a particular political agenda may give a very partial picture of a situation under examination;
- robust: In this respect, an indicator has to be related to global and lasting characteristics of the system, to avoid too much sensitivity to accidental fluctuations;
- connected with priorities and significant issues;

- coherent: An indicator should be connected/connectable with other indicators;
- feasible: The data to construct an indicator should be readily available and affordable to collect, and accessible to a large audience; and
- valid, reliable, accurate, which implies a high quality of data sources.

There are however different indicators for different measures and to illustrate the differences, the following four types of indicators; amongst those found within the local government sector, are discussed with specific emphasis on performance versus capacity indicators (in view of some current debates in this regard):

- Development indicators.
- Performance indicators.
- Differentiation indicators.
- Capacity indicators.
- Performance indicators versus capacity indicators.

Development indicators

Rabie (2011:168–169) informs of the Presidency’s Mid-term Development Indicators, a “series of 72 preliminary generic policy assessment indicators”, revised slightly to contain 76 indicators in the 2008 and 2009 publications which provide the first coordinated national set of development indicators (Cloete 2008:12; The Presidency 2007). The 76 indicators cover the following sectors (The Presidency 2007):

- Economic growth and transformation.
- Employment.
- Poverty and inequality.
- Household and community assets.
- Health.
- Education.
- Social cohesion.
- Safety and security.
- International relations.
- Good governance.

Performance indicators

According to the Department of Cooperative Governance (DCoG (1) 2011:8–9), the following performance indicators have specific reference to local government and the Minister for CoGTA should (not always completed timely) compile an annual municipal performance report in terms of Section 48 of

the Local Government: Municipal Systems Act 32 of 2000 (MSA). (The report consolidates information received from provincial reports which are compiled in terms of Section 47 of this Act. For their part, provinces consolidate performance information submitted to them by municipalities as required by Section 46 of this Act). Municipal performance is assessed along five key Performance Areas (KPA) and cross-cutting interventions:

- Municipal transformation and organisational development.
- Basic service delivery.
- Local Economic Development (LED).
- Municipal financial viability and management.
- Good governance and public participation.
- Cross-cutting interventions.

Differentiation indicators

Indicators for differentiation are illustrated in Table 1.

Table 1: Differentiation indicators

Differentiation indicators
<ul style="list-style-type: none"> • Spatial and economic realities • Financial management and administration • Infrastructure and delivery
<p>Planning support, including powers and functions:</p> <ul style="list-style-type: none"> • % of households living in poverty (poverty taken as households earning less than R1 200 per month) • Municipal operating expenditure per household • % of Priority 1 municipal functions (see MDB Reports) performed with capacity
<p>Simplified IDP and Simplified Revenue Plan:</p> <ul style="list-style-type: none"> • District Water Services Authority (WSA) functional status • Infrastructure and service delivery stream universal access to basic services • Total municipal capital expenditure per household • Expenditure on operations and maintenance as a percentage of the total operational expenditure • % of municipalities spending less than 5% of OPEX on repairs and maintenance • Infrastructure planning and delivery support to 21 vulnerable districts and 6 provinces • Infrastructure planning and delivery support to households in a municipality without access to basic services (priority water, electricity, sanitation, waste removal) • Targeted infrastructure planning support to 45 urban areas with predominance of informal settlements • Level and type of support for city, metro and accredited municipalities • Support for waste management interventions through clean cities programme

Financial and administrative support stream:

- % of municipalities with unqualified audit reports
- % of municipalities with current debtors (ie 0–180 days outstanding) more than 50% of own revenue
- % of municipalities with own source revenue less than 75% of total operating revenue
- % of municipalities with personnel cost higher than 28.6% of operating costs
- Expenditure Support for Clean Audit campaign: municipalities with disclaimer or qualified audit reports
- Support to municipalities through the Revenue Building Programme
- Support to municipalities to implement Municipal Property Rates Act 6 of 2004
- MSA of 2000
- National Disaster Management Act 57 of 2002
- Support to Councils with anticorruption procedures, budgeting for IDP, and public participation procedures

Source: (DCoG 2012)

Capacity indicators

The types of indicators discussed above form part of one system with each focusing on a specific policy option, however, as the focus of this article is on capacity building, of greater interest are capacity indicators. VanSant (1991:6) states that generally speaking indicators can be used to measure two forms of value—a stock or a flow. Capacity indicators are also of a dual nature and purpose—they are used to describe the specific actions and steps of a capacity building process or to gauge the resulting state of increased capacity. VanSant has developed the following institutional capacity building indicators (in DCoG 2012:26), however, it was also illustrated above that there are differences between individual, institutional and environmental capacity indicators:

The current Municipal Demarcation Board's (MDB's) Capacity Assessment Report questions whether it is correct to argue that if a municipality has the requisite capacity it will perform, contending that leadership, amongst others, plays a role in performance. However, this argument points to a misunderstanding on what capacity holistically entails, ie. individual, institutional and environmental capacity includes leadership as one of the aspects (DCoG 2012: 26–27).

Capacity indicators versus performance indicators

There are several reasons why performance indicators are not appropriate for measuring capacity (DCoG 2012:4–6):

- First, while performance may be a good indicator of adequate or good capacity, it does not yield insights into which aspects of capacity are particularly good,

Table 2: Institutional capacity building indicators

Institutional formation: Legal, logistical, human and financial structures	Function: Management, mastery of enabling environment and programme delivery	Condition: Character and leadership
<p>Institutional stock</p> <ul style="list-style-type: none"> • The institution’s legal framework, policies, rules, and procedures provide a consistent reference for operations. • Appropriate facilities and equipment are available to support operation. • The institution has access to logistical and communications needs (vehicles, telephone, FAX, etc). • The organisational structure meets the needs of efficiency and control. • Organisational subsystems for administration, production, financial management, and other operations operate efficiently. • The institution possesses needed technological resources. 	<p>Management</p> <ul style="list-style-type: none"> • Institutional management has a high degree of autonomy. • The institution has adequate management depth. • The institution’s management style is participatory and enabling. • Managers have a clear sense of realistic goals and priorities. • There is effective delegation of management responsibility to second-level managers. • Managers have a high level of fiscal and operational awareness. • Staff can clearly describe their roles and responsibilities. 	<p>Institutional character</p> <ul style="list-style-type: none"> • The institution has a documented mission that is clear and understood by staff and/or members. • The institution establishes its own policies, goals, and structure. • Institutional activities mesh with institutional mission and priorities. • Staff morale is high and regularly evaluated by the institution. • Staff is clearly aligned in attitude and performance with institutional goals. • “Critical events” analysis indicates that the institution is effective at defining and acting on those opportunities of most significance to its development and impact. • High job satisfaction is evident at all levels of the institution. • The organisation learns from its mistakes and staff is rewarded for confronting rather than concealing errors. • Information is shared openly within the organisation.

Institutional formation: Legal, logistical, human and financial structures	Function: Management, mastery of enabling environment and programme delivery	Condition: Character and leadership
<p>HR</p> <ul style="list-style-type: none"> • The institution has adequate staff in all key positions. • Compensation is adequate and equitable. • Monetary and non-monetary incentives support targeted behaviour. • The staff turnover rate is low. • Opportunities exist for staff professional development and on-the-job training. • Staff is held accountable for getting work done according to clear performance standards. • Staff needs are analysed in the planning process. • Recruitment and promotion policies provide for internal and external staff growth. • Fiscal data is up-to-date and accurate. 	<p>Enabling environmental mastery</p> <ul style="list-style-type: none"> • Appropriate links exist with other institutions. • Bureaucratic support is evident for the institution's activities. • Major environmental influences are identified and assessed for relative degree of influence and are accurately forecast. • The institution has controlled access to essential natural resources and other inputs. • The institution has access to needed technologies. 	<p>Leadership</p> <ul style="list-style-type: none"> • The institution's policy contributes to achievement of institutional goals and strategies. • Management effectively represents the institution to external interests. • The institution has a clear vision, affirmed at all levels in shared values. • There is evidence of effective institutional innovation and learning. • The institution is characterised by effective staff involvement and teamwork in planning and work. • Staff at all levels are oriented toward producing results that meet institutional goals. • The external institution image is consistent with its goals and objectives. • The institution's leadership philosophy is clear to internal and external stakeholders.

Institutional formation: Legal, logistical, human and financial structures	Function: Management, mastery of enabling environment and programme delivery	Condition: Character and leadership
<p>Financial resources</p> <ul style="list-style-type: none"> • The institution has access to resources in line with planning budgets (including credit, where appropriate). • The institution has control over its own budget. • The institution has awareness of its future resource needs. • Effective financial management and accounting procedures are in place. • Budgets are used as a planning and monitoring tool. 	<p>Programme delivery</p> <ul style="list-style-type: none"> • The institution maintains reliable evidence of the degree of client or constituent satisfaction. • The institution has structures of accountability to clients and constituents. • The institution’s scope of program or other activities is appropriate to its financial and management capabilities. • Programme outcomes are measured and documented and widely known to institutional managers. • The institution’s programme contributes to institutional condition. • The institution possesses appropriate economic, sector, or market analysis capability. • If market-driven, the institution has measurable “bottom-line” results. 	

Source: (VanSant 1991:7–8 in DCoG 2012: 26–27)

or which may be weakening. The staff within a particular organisation, for example, may have adequate levels of competence and yet the organisation may be failing in its performance. Analysing declining levels of performance, however, cannot reveal much about capacity gaps, for it may be that this gap is not at the competence level, but at a higher level of management. Furthermore,

performance indicators do not reveal what aspect of capacity is responsible for a better or failed performance. Weak performance indicators tell us little about the origins or causes of these results (DCoG 2012:4).

- Capacity building projects may not be successful in generating better performance indicators or more satisfactory outputs, yet without adequately disaggregating capacity and finding indicators and benchmarks to measure capacity building through its different analytic dimensions, it is difficult to assess what aspects of the process are failing, where additional support is required, and whether capacity building projects are even realistic or feasible. Weak performance can be attributed to the lack of competent staff, to the unclear definition of roles and responsibilities within an organisation, to the lack of adequate financial support, to the weakness of the regulatory framework, or to a combination of all these factors. Understanding these different analytic dimensions and designing measurements to evaluate progress at each level is important for designing better and more effective capacity building projects (DCoG 2012:4).
- Secondly, like in many other development programmes, capacity building programmes may be only partially successful. Yet partial success is difficult to recognise if the criteria for evaluating these programmes is solely based on performance outcomes. Measuring the “process” of capacity building and developing benchmarks is thus crucial for allowing the analyst to recognise partial and incomplete results. The prevalent frustration with many capacity building programmes often stems from a failure to recognise partial success. Confronted with what was perceived as “total failure,” many projects attempted to start from scratch every time a new project was introduced. Identifying partial successes allows for a more balanced judgement, and the adoption of more gradual, piecemeal, and realistic development strategies that take as a starting point “existing local capacity”. The latter has been identified by the UNDP as a crucial element in the new “paradigm” of capacity building (DCoG 2012:5).
- Third, an institution or organisation can improve its performance indicators, but nothing guarantees that this level of performance can be sustained over time. Unlike performance indicators, indicators of capacity and capacity building, provide information about sustainability by revealing information about the extent of institutionalisation or routinisation of reforms introduced to build capacity. Technical assistance projects may have an initial positive impact on performance results, but as soon as the funding of these projects ends or foreign experts leave the country, performance indicators deteriorate. Unlike indicators of performance, indicators of capacity building tell us something about the extent of “country ownership,” a crucial element for the sustainability of any capacity building project (DCoG 2012:5).

- Finally, the relationship between capacity building and performance is by no means direct and linear. The performance of governments, businesses, or Civil Society Organisations (CSOs) is affected by a multiplicity of factors, above and beyond capacity building. A severe economic crisis, for example, can have a substantial impact on the growth of poverty rates, regardless of the capacity of public officials to design and implement better poverty reduction strategies. Rapid economic growth, on the other hand, can have a greater impact on reducing poverty rates than the building of government's long-term capacity to deal with macro-economic stability. Similarly, low HIV rates may not accurately reveal the government's capacity to respond, should the problem emerge at a later stage. Also a business may be successful in a closed economy protected from competition, regardless of its capacity to produce quality products (DCoG 2012:6).

Targets

Targets are the objectives or standards set for delivery on the natural environment and include 'aspirational' or 'political' targets; targets relating to crucial loads; thresholds in the natural environment and those for public service delivery. They may be set on a precautionary basis, where the aim is to deliver environmental protection, or they may be more ambitious in order to achieve environmental enhancement. Targets may be attached to particular indicators or ecosystem components, or may be framed as broad over-arching objectives (Glaves *et al.* 2008:14).

For example, Glaves *et al.* (2008:7) state that it has been recognised for a long time that environmental resources are finite and if over-exploited this can lead to environmental damage and harm to the local economy. External pressures such as pollution, over-exploitation of natural resources and climate change impact on the functioning of an environment, its condition and the services it provides (Defra 2007 in Glaves *et al.* 2008:7).

The concept of environmental/ecological thresholds has been used for many years in a variety of contexts, including conservation, rural land management, tourism and recreation, etc. The associated concept of carrying capacity, ie. the maximum level of use or development that an environment can bear without undergoing significant change is accepted but the idea that there are absolute environmental thresholds has been subject to debate. What is generally agreed, however, is that as part of sustainable development there is a need to identify the threshold, limit or capacity of an environment before degradation or collapse occurs.

Environmental limits are different from environmental thresholds. An environmental threshold is an absolute scientific point beyond which

irreversible harm occurs whereas an environmental limit involves a social judgement regarding what an acceptable limit/capacity is (Glaves *et al.* 2008:7–8). Tourism professionals use an associated term, i.e. limits to acceptable change (LAC). Environmental thresholds and limits will vary by topic and over time and space. Thresholds/limits are most accurate when they refer to a specific time and place and relate to a specific issue or threat (Glaves *et al.* 2008:8).

Environmental capacity must be determined by the democratic process, in which formally constituted bodies seek the participation and views of the people affected (Jacobs in Glaves *et al.* 2008:8). There is a clear need to agree on “precautionary” limits to environmental change. This will require new decision-making processes which draw on the best scientific and economic knowledge to inform subjective but broadly agreed standards—without getting bogged down in the inevitable differences of opinion. Developing such procedures—ideally as part of Strategic Environmental Assessment—is at least as important as the science (Glaves *et al.* 2008:8).

Demand, benchmarks, triggers and levers

There are two aspects of **demand** – the skills required to **get** a job and the skills required to **do** a job. It is the latter aspect that involves issues of skills utilisation. Buchanan *et al.* (in Capacity Building Indicators 2003:48) note that preoccupation with supply side issues such as the formal provision of training often dramatically over-estimates what skills policy can achieve. This is because it totally neglects the issue of whether, and how, increasingly well-educated citizens have their skills deployed in the workplace (Capacity Building Indicators 2003:48).

Triggers are the drivers that motivate organisations to undertake skills utilisation (e.g. market forces, staff retention, government regulation) (Capacity Building Indicators 2003:48). There are a number of reasons why organisations adopt strategies to improve their utilisation of skills. Skills shortages and gaps and staff retention are considered important triggers as are product market strategies, which can vary within and between sectors. Another is the desire to promote innovation, while government intervention, whether by regulation or exhortation, can also be a trigger (Capacity Building Indicators 2003:48).

Levers on the other hand are the factors that must be present to enable skills utilisation to take place (e.g. leadership and management, communication, organisational culture) (Capacity Building Indicators 2003:48). Once one or more triggers are operating, organisations may choose to implement skills utilisation practices to enhance competitiveness. The evidence shows that to enable this there must be strong management and leadership within the

organisation as well as commitment and motivation from staff. Other aspects of organisational culture are also considered important, along with good systems of communication (Capacity Building Indicators 2003:48).

Lastly, Shah (2005:xxxvii-xxxviii) states that to assess whether a given level of a measure indicates good or bad performance requires a comparison with established **benchmarks** based on the history of an enterprise and the experience of others. Benchmarks can be best-practice standards defined by experts or the performance of actual enterprises that are comparable with the one under review. The following are baseline benchmarks that will form part of a drop-box in the initial Integrated Capacity Building Management of Information Systems (ICBMIS):

- Legally compliant municipality.
- Municipality with competent staff.
- Functional municipality.
- Municipality applying good management practices.
- Municipality delivering adequate services.
- Municipality performing above the norm.

Now that a better understanding has been created of concepts related to measuring capacity, a discussion on designing capacity indicators follows.

THE DESIGN OF CAPACITY INDICATORS

A simple framework for thinking about the design of capacity indicators is the three 'Ps', for ease of retention and these are (Greýling 2015:203):

- Product, in terms of actual capacities improved or achieved. This includes a sense of evolution from the beginning of the project, the current state of progress and the projected progress.
- Performance, in terms of the substantive programme outcomes.
- Permanence or sustainability of the capacity produced.

The DCoG (in Greýling 2015:223) states that one needs to remember some points in mind when discussing the three aspects listed above:

- Firstly, the three 'Ps' should not be seen as replacing the more conventional frameworks such as the Logical Framework Analysis or a results-based matrix or the inputs-outputs-outcomes-impact methodology. They are designed solely to provide a simple framework to stakeholders to think through the capacity aspects of a project or programme (DCoG in Greýling 2015:223).
- Secondly, they are not intended as 'stages' to be looked at sequentially. They are a circle of issues that need to be combined with the strategy and process

issues to come up with an overall judgement. Process, for example, affects performance. Predictions about anticipated capacities arise from strategy and estimates of the situation and the start of the project. The relationship between performance and permanence is crucial (DCoG in Greýling 2015:223).

- Thirdly, they should help stakeholders come to some shared agreement on the desired evolution of the organisation or system whose capacity is to be developed. For example, power and authority may be devolved throughout the hierarchy rather than being concentrated at the top of the structure. A broader network may see its capacity evolve when new services and new actors/participants are added. Organisational relationships alter to include a broader range of partnerships, contractual links and information exchanges. Values and attitudes adjust. Capacity building indicators need to be set to mirror and monitor this anticipated evolution over time (DCoG in Greýling 2015:223).

A more detailed discussion on the three 'Ps' follows:

Product

Most capacity indicators are designed to reflect some future desirable state or level of performance. A shared vision of the future and some defining purpose and objectives of the capacity interventions are obviously important. But in many cases, too little diagnostic effort is made to assess the state of capacity building at the outset of the programme, i.e. understanding both the 'what' of the starting situation position (i.e. a description of current capacities and the constraints to further improvement). The 'why' (i.e. the deeper systematic causes behind the gaps in capacity and performance) also needs to be understood. To the extent possible, project participants need to try to arrive at some sort of shared understanding and self-awareness about the nature of the current capacities (DCoG in Greýling 2015:223). There remains a need to think carefully about the starting point of capacity building and devise some indicators to reflect it. Some illustrative questions are:

- What are the main outlines of the historical evolution of this organisation or system? Where is it? How did it get to where it is? Why did it get to where it is?
- Who are the main actors that make up the capacity system including government departments, NGOs, key individuals, private firms, educational organisations? What is the nature of the various relationships—functional, informational, normative, political, regulatory, and ethnic—amongst these actors, in terms of achieving broader programme goals? What is the organisational structure of the current capacity system in terms of roles and responsibilities, decentralisation, laws and policies, decision-making, coordination, etc?

- What is the general pattern of behaviour which the project or programme must deal with? What is the level of trust and collaboration that surrounds the project? What is the present pattern of the organisational and institutional dynamics that will influence efforts, both from inside and outside, to develop capacity? What is the level of collaboration, cooperation and competition? What is the degree of diversity and fragmentation? Who has expressed the need for change and in what form? (DCoG in Greýling 2015:223).

To be effective, programmes aimed at capacity building need to consider some sort of preferred future. Participants need to know what ‘capacity building’ (as opposed to project or programme outcomes) would look like at the end of a certain investment of effort and resources. What new abilities are desirable? possible? probable? What is the gap between the projected progress and the starting point described earlier? Projected capacities thus deal much more with improvements than they do with descriptions. They focus on what people need to be able to do that will, in turn, lead to some substantive developmental outcomes and impact. Some illustrative questions might be the following (DCoG in Greýling 2015:223):

- What new standards of performance should participants be able to meet? What must groups or organisations be able to do that they are not currently doing? Which crucial functions (e.g. policy formulation, service delivery, financial management, conflict management) should get priority attention? Who decides this? Who decides who is to be measured?
- What policy choices are implied by these projected capacities?
- What new attitudes, meanings, belief systems and values should be embraced? How would these be assessed? And when? Is it realistic to expect the project to produce changes in attitudes that have taken years to form? What are the possibilities in this situation? What is the potential for action? Are we likely to see results quickly or over a long period of time?

Finally, some sense is needed of what the organisation or the system can now do and what crucial functions it can carry out that could not be managed at the outset of the project. Indicators at this stage are designed to help in the description and analysis of the evolution and growth of capacity building. Some illustrative questions might be the following (DCoG in Greýling 2015:223):

- Do the field participants have awareness that they have developed these new capacities?
- Is there a gap between what was projected and what was achieved?
- Are there indicators that would better help us assess the evolution to this point?

Performance or outcomes

The question ‘capacity building to do what?’, is the focus when discussing performance or outcomes. Efforts at capacity building need to be focused not on abstract organisational generalities – e.g. more participation, less hierarchy, more productive relationships—but on improvements to the crucial functions that determine the productivity and health of the organisation or system. This, in turn, relates to the two key issues in the complex interrelationship between capacity building and substantive performance (DCoG in Greýling 2015:223):

- First, programmes for capacity building must be aimed directly at performance improvement both in the long- and short-terms. Project designers (and managers) must have a longer term vision of what they want the organisation or system to do and how they want it to perform. In that sense, these are ‘core’ goals for capacity building that are fixed and immutable. But measures aimed at capacity building must also be aimed directly at short-term tasks (i.e. two-three months) in support of the crucial functions that may change rapidly depending on the course of events. Most practitioners are only interested in capacity building if they can see its relevance to operational issues facing them in the short-term. Project designers thus need to put in place organisational and contractual arrangements that can enhance this flexibility in the short-term. In effect, the conventional process of capacity building, leading to certain kinds of tasks needs to be reversed. Assistance with certain kinds of tasks should lead to capacity building (DCoG in Greýling 2015:223).
- The second issue is the perennial trade-off between ‘performance’ and ‘process’ that has bedevilled technical cooperation since its inception. In practice, this is one of the vicious systemic cycles that is common to capacity building projects. Managers are under pressure to produce substantive outcomes. They feel they cannot take the time or resources to invest in capacity or process issues, e.g. workshops, training courses, learning exercises, research. The organisation does not develop individual and organisational competence to meet the performance standards. In response, managers feel even less able to focus on capacity issues which in turn affect performance. The organisation becomes trapped in a cycle of poor performance and stagnating capacity from which it has trouble escaping, and donor resources focused solely on achieving improved performance to reinforce this cycle (DCoG in Greýling 2015:223).

Permanence or the sustainability issue

Finally, one of the most difficult challenges to do with capacity building is that of achieving sustainability. Part of the problem is that of learning how to either

create or manage organisations to sustain their capacity and their developmental contribution over time. A sustainable organisation is defined here as one that earns, through its products, services and general contributions, the loyalty and support of a sufficient number of stakeholders to allow it to keep functioning at a steady or growing rate. But, the reverse can also be true, i.e. that the ability of organisations to sustain themselves can have detrimental effects. Some organisations can perpetuate themselves long after their developmental utility is over (DCoG in Greýling 2015:223).

Some illustrative questions are (DCoG in Greýling 2015:223):

- What is the connection or the interrelationship on this project between formal institutions transplanted from outside and indigenous institutions arising from the traditional culture?
- What long-term funding strategies are possible? Feasible? What is the current pattern of dependence on funding? What are the signs, if any, of these organisations 'institutionalising' themselves or developing legitimacy upon which to base their sustainability?
- What is the legal foundation, if any, that underpins longer term capacity?

The issue then is to decide how best the performance of crucial functions can be made sustainable, or, how best to maintain the flow of benefits and services with or without the programmes or organisations that stimulated those benefits in the first place. How then to combine a concern for sustainability with that of relevance and performance? Part of the approach to inducing greater sustainability lies on the 'supply' side of capacity building, i.e. improving the ability of organisations or systems to perform better, to provide value to citizens, beneficiaries and other partners. In particular, it must gain a legitimacy that gives it the space and the resources to maintain its existence. But the more determining issues appear to be on the 'demand' side, i.e. equipping citizens with the information, access to political power and capacity for making demands, that can enable them to control and shape the performance of organisations that exist to serve them. In effect, this is a governance issue that goes beyond the more limited scope of capacity building (in Greýling 2015:223).

Skills utilisation and productivity

The New Zealand skills strategy (2008 in Capacity Building Indicators 2003:48) links productivity and sustainable development with both the development of better skills and the better use of skills. In 2010, the New Zealand government implemented skills utilisation policy through the High Performance Working Initiative (HPWI). This aims to support enterprises to improve their business processes through effective employee engagement and workplace practices.

The British government has also begun to emphasise the potential productivity benefits of skills utilisation. In 2004, due to concerns over low productivity growth, globalisation and low levels of numeracy and literacy, the British government commissioned Lord Sandy Leitch to consider the UK's long-term skills needs. In the Leitch Review Interim Report *Skills in the UK: The long term-challenge*, HM Treasury states (in Capacity Building Indicators 2003:48): "For the supply of skills to turn from merely potential change in performance into a tangible increase in productivity, the available skills of the workforce have to be effectively utilised. People need to be in jobs that use their skills and capabilities effectively".

Skills utilisation has also become increasingly prominent in Australia. In 2009, the Council of Australian Governments (COAG) created a National Agreement for Skills and Workforce Development to identify the long-term objectives of skills and workforce development. It identifies workforce development as 'a new area for Government focus and public policy development. Under the Agreement, one of four outcomes for which progress is monitored is that 'skills are used effectively to increase labour market efficiency, productivity, innovation and ensure increased utilisation of human capital' (Capacity Building Indicators 2003:48).

In South Africa, Chapter 13 of the National Development Plan (NDP 2011) also emphasises the need for building a capable state.

SUMMARY AND CONCLUSION

Municipalities need to be directed to draft relevant capacity building and –results indicators to assist with the collection of relevant data at all monitoring and evaluation and government levels, to provide direction for the transformation of local government through capacity building and -results.

In view of this focus of the article being on measuring/assessing it deals with certain concepts and processes associated with measuring. Four types of indicators are found in measuring local government capacity building: development indicators; performance indicators; differentiation indicators; capacity indicators and to address a current debate: capacity indicators versus performance indicators. Targets, demand, benchmarks, triggers and levers are also considered as conceptual and process variables influencing the measurement of local government capacity building. The design of capacity indicators in terms of the product, performance or outcomes, permanence and the sustainability issue and skills utilisation and productivity were finally discussed.

A municipality's existing individual, institutional and/or environmental **capacity can be strong or needs to be improved** relative to whether the municipality:

- Is **functional** as per the benchmarks in terms of individual, institutional and environmental capacity.
- Is **performing** at a specific level; i.e. underachieving, achieving or overachieving, on the objectives as set out in their IDP and SDBIP. These objectives should be cascaded down to Functional Units in the form of Business Plans. Business Plan objectives in turn should be cascaded down to Staff Performance Agreements at all levels.
- Is **delivering its services**; inadequately, adequately or exceeding expectations. Is this in line with relevant legislation and/or sector norms and standards but specific to the powers and functions as contained in the Constitution and agreed to with its community.
- Has a complaints management system in place to address the community's perceptions on service delivery.
- **Is comparing** itself to other municipalities within its category as a whole, per functional unit and/or per occupational grouping as per the benchmarks; in terms of individual, institutional and environmental capacity.
- Is determining why there are discrepancies between municipalities within similar categories and **addressing challenges**.
- Is complying with legislation and reporting requirements, for example implementing the principles contained in the *Batho Pele* White Paper (in Greyling 2015:223). If not, is determining why not and what can be done to assist. Should assistance not be requested it could be offered with due regard to sustainability as outcome.

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ENDNOTE

- 1 The article is partly based on the doctoral thesis that was completed at UJ under the supervision of Prof C.J. Auriacombe: Greyling, S.J. 2015. *The South African Local Government National Capacity Building Framework of 2011: Critical Future Considerations for 2016*. Johannesburg: University of Johannesburg.

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The Relationship between the Konrad Adenauer Stiftung in South Africa and its Recipients – 2006–2011

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ABSTRACT

The relationship between donors and recipients of development funding is a complex one. Recipients depend on donors for funding and thus in most instances it seems that they take orders from donors and they may compromise their own ideas/projects and implement what the donor prefers. The Konrad-Adenauer-Stiftung (KAS), a German political foundation, assists in strengthening democracy and promotion of good governance through funding democracy promotion activities in developing countries. KAS refers to the relationship with its recipients as a partnership, because KAS works together with its partners to ensure the projects succeed. The research investigated the relationship between KAS and its recipients. The sample in this study comprises of selected recipients of KAS funding in South Africa during the period 2006–2011. The primary issue which all of them are dissatisfied with is the lack of institutional funding from KAS specifically but also from donors in general. The issue of funding being made available only for projects is creating difficulties for recipients because they have to source other funds for salaries. Donors in general need to be more considerate of the challenges faced by recipients of funding and try to put measures in place to assist them where possible.

INTRODUCTION

The Konrad Adenauer Stiftung (KAS), a German political foundation opened its office in South Africa in 1982. It is named after the First Chancellor of a united Germany, Konrad Adenauer. It was established in 1956 and is affiliated to the Christian Democratic Union (CDU) but is legally distinct from it. The overall aim of KAS is the promotion of freedom and liberty, peace, and justice as well as the consolidation of democracy. KAS provides funding for political education in Germany and worldwide; it collaborates with a variety of recipients to fulfil its mandate. These recipients are think-tanks; non-governmental organisations (NGOs), universities or individuals. KAS also funds political parties specifically for capacity training activities, but is prohibited from funding election campaigns.

Generally the donor-recipient relationship is perceived as unequal. However, KAS refers to the recipients of its funding as partners. It views the relationship between itself and its recipients as an equal partnership. The question is whether this is in fact an equal partner relationship. For the purposes of this article the term 'recipient' is used to refer to all recipients of donor funding including those funded by KAS, despite that KAS refers to them as partner. The research attempted to determine what the nature of this relationship is, how it is perceived by the recipients and how it can be improved.

THE NATURE AND ROLE OF INTERNATIONAL POLITICAL AID FOUNDATIONS

Mohr (2010:19) sees political foundations as *“actors in democracy assistance and democracy assistance is defined as the policy aimed at helping third world countries build institutions of democratic governance; support pluralism in the shape of multiparty politics; freedom of expression and independent media; promote and protect human rights and work towards establishing the rule of law”*. The origins of *“democracy assistance lie...with Germany's Stiftungen or party foundations, which by 1990 had resident representatives in more than 100 countries and field offices in some of them for well over 30 years”* Burnell (2000:36).

The promotion of democracy consists of the following activities:

- providing support during elections including the organisation of elections as well as technical assistance to the electoral commission and assistance with regards to the development of political parties;
- providing support with regard to governance including ensuring that there are reforms in parliament, judiciary and in the public sector;
- providing support to civil society by assisting NGOs with advocacy as well as supporting labour unions and media (De Zeeuw 2005:4).

A political foundation is a policy interest group which aims at promoting democracy worldwide through working with recipients in different countries. Wilson (1990:1) defines interest groups as *“organisations, separate from though often in close partnership with government, which attempt to influence public policy”*. Heywood (2000:222) defines a pressure or interest group as *“... an organised association which aims to influence the policies or actions of government”*. Members of an interest group are people who share common interests or views. Interest groups have a fluid character. An organisation may not be functioning as an interest group this year but may function as an interest group the following year (Wilson 1990:9).

Bekker (1996:31) states that the involvement of a pressure or interest group is not limited to advancing the interests of a specific group. These groups can be classified on the basis of their relationship to government, while others are insider or outsider groups. Insider groups enjoy privileges and usually institutionalised access to government through routine consultation and representation on government bodies.

Outsider groups, on the other hand, are either not consulted by government or consulted only irregularly. Bryce (2005:66) asserts that *“as an agent of public policy a non-profit may perform one or more of the following functions at the same time: it may be involved in policy investigation and development, policy formulation and advocacy, and/or policy implementation and evaluation”*. Interest groups provide an alternative form of participation from political parties and may at times be superior to political parties. They may achieve results quicker and some of the issues they raise may be too specific to be the concern of political parties. The benefit of being an outsider group is that outsider groups are not afraid to raise complex issues which make government uncomfortable as they focus their attention on achieving their own goals.

Other advantages of interest groups as highlighted by (Wilson 1990:4) are that they:

- help to educate citizens about democratic values;
- can encourage citizens to participate in electoral politics by helping them to build confidence in a small group;
- teach members about tolerance and respect for people with opposing views;
- may improve public policy and improve the political system by providing an alternative to a political party or to voting.

Nielsen and Nielson (2008:6) conclude that the effectiveness of aid to promote democracy can be seen through an improvement in the essential features of democracy. This includes the following improvements: free and fair periodic elections; a functioning judicial system that is accessible to all citizens; respect for the rule of law; freedom of speech as well as freedom of association.

Easterly (2008:437) observes that “donors rarely measure results, so there is little historical systematic information about what works and what does not”.

Democracy assistance has two components namely political and developmental. The *political approach* proceeds from a relatively narrow conception of democracy and focuses on elections and political freedom. It “directs aid at core political processes and institutions – especially elections, political parties, and politically oriented civil society groups—often at important conjunctural moments and with the hope of catalytic effects” (Carothers 2009:1). The *developmental approach* views democracy in a broader sense focusing on issues of equality and justice which takes place over a period of time involving socio-economic and political developments.

ISSUES IN EVALUATING THE EFFECTIVENESS OF POLITICAL AID

The following issues complicate an evaluation of the effectiveness of political aid in general:

- There are a number of actors who may have an interest in the results, among others, the donors and the legislative bodies and taxpayers who are interested in knowing whether they get value for their money and also if the programmes have impact;
- Donors lack both financial and human resources to conduct research. In reality, many donors, as a result of financial constraints, would rather allocate more funds to projects than to evaluation;
- Donor agencies need to be able to connect policy with practice. This is as a result of evaluation being conducted by a separate department and the actual programmes being run by another. Lack of institutional memory is also a problem that is brought about by high staff turnover: staff who were present when past evaluations were conducted may have left, and there is no continuity;
- Using local or foreign researchers has both positive and negative implications. On the positive side local researchers have expertise on the country; on the negative side they may not be familiar with the donor’s interests and priorities. Whereas foreign researchers have no expertise on the country, but they may be more familiar with the donor needs (Green and Kohl 2007:153–154).

RECIPIENT-DONOR RELATIONS – WHO LAYS DOWN THE RULES?

The relationship between recipients and donors is complex. Sogge (2002:13) states “...official aid is ultimately just another instrument to project power beyond

national borders, a tool of foreign policy". He further asserts that *"foreign aid is not about beneficence, but about power"* (Sogge 2002:13). The power which is referred to here is reinforced by money. Considering that in most instances recipients cannot perform their work without the donors' funds, there already seems to be an unequal relationship between them. The donor determines the terms of the relationship because of control over funds (Parks 2008:217).

Reith (2010:447) concurs and states that the NGO-donor relationship is such that *"NGOs place value on money, which they see as essential for their ability to work towards their mission and ultimate survival, and donors value the same money for the ability it gives them to influence development in the direction of their own agendas"*. Recipients can be seen as agents implementing the conditions desired by donors, who are the principals (Killick 1995, 1997 in White and Morrissey 1997:497). Fehnel (1995:383) emphasises that the critical issue is whether it's the donors or recipients who define the problem and chart the way forward. Donors take the initiative because they have own mandates. At times, recipients don't have an interest in a specific topic or they lack expertise but they will proceed with the topic because donors are interested in funding it.

Though recipients are well-versed with the communities they live in, they know the needs of the communities and problems they may be facing but they will still focus on what the donor suggests and not pursue pressing issues which are priorities for them. Although Bebbington, Hickey and Mitlin (2008:18) acknowledge that *"NGOs have helped to raise important issues and lay the foundations for progress...a significant proportion of African CSO representatives view INGOs as neo-imperialists, disproportionately controlling international aid resources and forever playing the dominant role in response to African humanitarian crises"* (Mebrahtu, Pratt and Lonngvist 2007:280). Donor strategies and priorities change from time to time and recipients may find themselves in a difficult position when this happens. Sometimes NGOs are forced to change their priorities and activities to match the donors' in a desperate attempt to acquire funding (Parks 2008:214).

PARTNERSHIPS IN DONOR FUNDING

Easterly (2008:49) affirms that *"the donor will typically work with one or more local organisations, be it government departments or NGOs"*. Reith (2010: 449) contends that *"donors have a prerogative to find suitable partners to work with and ensure that the funds can be used in the most time and cost efficient manner"*. Brunt and McCourt (2012:587) state that the success of development activities is determined by the participation of locals in their design and implementation. Locals are the ones who understand their needs and the needs

of their communities better than outsiders. Despite that they don't have funds they can devise solutions for problems which they may be experiencing. It is advisable for donors to engage locals when designing projects. This also helps to empower communities. An added benefit of engaging locals is that they will feel that they have ownership of the project.

The donor-recipient relationship seems unequal in nature, though, because the donors have funds which the recipients need and without which they are unable to do their work and in some instances, some recipients depend on donor funds for their salaries. If they do not have funds they are unable to provide for their families. Donors have the upper hand to decide which projects to take on. As De Haan (2009:9) phrases it *"while the history of the aid industry has been full of commitments to focus on recipients' priorities, the motives and structures of donors continue to drive the way aid is given"*. Whitfield (2009:84) too is of the opinion that *"donors still have the final say over whether recipient plans are approved or rejected"*. There is therefore clearly inequality in the donor-recipient relationship with the donor having full authority about who they decide to fund and the recipient being at the mercy of donors.

Reith (2010:448) disagrees that there is a partnership in the donor-recipient relationship, rather, there is control and sponsorship. Maxwell and Ridell (1998:257) affirm that both partners have responsibilities: *"partnership is not only about information-sharing and formal policy dialogue, but also specific commitments on both sides: on the recipient side, to fulfil undertakings and use aid efficiently, and, on the donor side, to meet aid commitments and reward good performance"*. It is necessary that both parties enter into an agreement in terms of their expectations for each other. Brunt and McCourt (2012:587) define partnership as a joint commitment to long-term engagement; partners must have mutual respect, share equal responsibility and there must be good working relations between donors and recipients of aid. Partnership must also involve a shared responsibility for failure (Reith 2010:447). Unfortunately in most instances recipients are held accountable if projects fail and the donor does not take responsibility as well.

According to Pickard (2007:575) *"partnership denotes a special relationship between equal participants or, yes, partners, who enjoy a distinctive bond of trust, a shared analysis of existing conditions in society, and thus in general a common orientation of what needs to be done to construct a more just, equitable and democratic world"*. There must be ongoing engagement between donor and recipient to take joint decisions on projects of mutual interest as well as ensuring that projects achieve good results. In this ongoing engagement, both parties will be able to identify areas where there are challenges and speedily resolve issues before they escalate into serious problems. At times projects fail because of lack of engagement from both donors and recipients.

Arnold (1979:128) argues that *“as individual countries and groups of aid recipients struggle to master their problems, they often find that they have to accept the pronouncements of the donors on the ways and means they must adopt for their development: they are, after all, the weaker partners in the relationship”*. There is overwhelming evidence which seems to suggest that the recipient toes the line of the donor as a result of a lack of own funds. It seems also that though on paper and in theory it may seem that both parties signed a partnership agreement, the reality is that the recipient is the less important partner. Donors also on the other hand, have their own frustrations if recipients use funds where they were not intended to be used.

Money has power in any relationship. The donor-recipient relationship is not different. Wallace, Bornstein and Chapman (2006:4) state that *“power is often mentioned but rarely analysed in NGO relationships, yet the funders define the rules and regulations to which NGOs must adhere”*. While it is understandable that donors want to define the rules and regulations because they are investing money, it becomes problematic when they do not engage the NGOs when designing programmes/projects. The phrase *‘African solutions for African problems’* is very important in this respect. In most instances NGOs may be better placed to solve their own problems than outsiders are. Sogge (2002:167) asserts that *“...local people had the impression that aid took no account of their priorities”*. Partners must accommodate each other's strengths and weaknesses. Partnership can be weak or strong depending on the parties and circumstances involved.

WEAK AND STRONG PARTNERSHIP MODELS

Maxwell and Ridell (1998:260) differentiate between these two models: *The components of the “weak partnership is information sharing and policy dialogue and the components of a strong partnership are jointly agreed country programmes and multi-annual financial agreements”*. The weak partnership characterises many donor-recipient relationships. It is easy for both donors and recipients to engage in information sharing sessions on diverse topics. In most instances, donors are not from the communities they fund, therefore they rely on recipients to provide them with information about life in the community and to provide them with information about key players in such communities. Recipients are equally interested to have information sharing sessions because they want to find out if donors are satisfied with the work they are engaged in and deal with any issues which are not pleasing to donors.

The strong partnership model is difficult to achieve in the recipient-donor relationship, especially because it involves money. The multi-annual financial

agreement would make many recipient organisations' work easy, they will be in a position to plan ahead and engage in meaningful projects which have impact. Franklin (2009:791) states that if development agencies are serious about partnership they must not only focus on achieving stated objectives or on building institutional partnerships, but that they must also ensure that there is fairness and co-operation when working with others. Recipients will benefit from this partnership and it will also enhance their confidence. They will be able to engage openly with the donor and critique where necessary knowing that they are protected by a partnership contract. In instances where there is no partnership, the donor dictates terms and takes decisions unilaterally.

It is necessary for all donor-recipient relationships to have a formal partnership. Such a partnership confirms to both parties that there is mutual interest and respect for the other's views. Most if not all aid is given with accountability and some conditionality.

AID ACCOUNTABILITY AND CONDITIONALITY

The aid relationship is characterised by some form of accountability and conditionality requirement by donors from recipients. Such accountability and conditionality is aimed at ensuring that recipients deliver on agreed targets and also that donor funds are used for the intended and agreed purposes. However it may hinder recipients to do their work. Whitfield (2009:87) observes that *"despite significant change in the planning process, conditionality remains a central technology of contemporary aid architecture, supplemented by the continuing use of funding tranches, deepening surveillance of recipients, increased donor coordination, more extensive participation of donors in the policymaking process..."*

It seems that donors commonly do not trust recipients to manage their own affairs and to do their own planning. Presumably, this is worse when donors are dealing with small rural NGOs (where there is a lack of qualified personnel) as opposed to dealing with big NGOs or think tanks. In most instances the bigger organisations understand what is expected of them and they have the required expertise to plan and manage their own activities.

Wallace *et al.* (2006:2) state that *"for funding going via NGOs, donors have heightened their control through new conditions, tighter selectivity and growing demands for accountability, these last encoded in specific management procedures and practices"*. Recipients who are working with donors who always want to interfere in their work must be frustrated about different donor expectations compared to their own interests. Rural NGOs who have very low levels of education or are illiterate may struggle to understand the terminology

used by donors. In most instances NGO staff in rural areas comprise of volunteers or people from the community. The donors equally have their own frustrations; they may feel that if they are not actively involved, recipients may misappropriate funds or use the funds for costs which they did not agree to.

Wallace *et al.* (2006:2) further assert that *“we believe that the way aid is disbursed affects the implementation of NGO policies on the ground and shapes the way they work, that is, their development practice and this may limit the positive impacts which are supposed to emanate from the work of NGOs”*. NGOs may find themselves spending a lot of time working on information needed by donors instead of doing the real work. The manner in which some donors disburse funds, for instance, on a cost incurring basis, may also hamper or delay the NGO in doing its work.

Though NGOs may be adequately funded, the conditions tied to the funding may constrain them to come up with their own initiatives (Bebbington *et al.* 2008: 21). Civil society is mostly comprised of people who seek the common good, and of social activists who aim at improving the livelihood of the community. Some of the methods they use to achieve their aims may not align fully with donor principles or regulations. In some instances donors specify the kind of activities they can fund, for instance, there are few donors who would fund transport to take people to a protest march. These funding conditions can therefore be frustrating for recipients who are only interested in doing their work.

OWNERSHIP IN RECIPIENT-DONOR RELATIONS

The question is *who has ownership of projects—recipient or donor?* The donors have invested their funds but the recipients, presumably are the ones who initiated the project and therefore can claim ownership. Whitfield (2009: 5) argues that *“where donors do not wish to allow aid recipients a free hand in deciding what to do with aid, we argue, they should refrain from using the term ownership and admit to, justify, their own attempts at influence”*. Ownership of a project on its own is motivation for recipients to work harder to ensure they achieve the intended objectives. People are more likely to give freely of their time and labour when they know that the project belongs to them or their community. Unfortunately in most cases donors claim ownership of a project because they have invested their money in it.

Kayizzi-Mugwera (1998:223) emphasises that *“there must be a code of conduct for the donor partner. This code includes avoidance of sudden shifts of mood: no new elements should be introduced once an agreement is reached. Partners must commit themselves to conditions for cooperation”*. There must

therefore be agreement about the division of responsibility and the donor must not take over processes and responsibility from the recipient unless there is evidence of misappropriation of funds.

SUSTAINABILITY

Sustainability of projects is also a critical issue but it is neglected by many recipients. Donor funding is aimed at assisting recipients in the short-term until they can sustain themselves. Fehnel (1995:382) states that *“development policies, programmes and projects are launched—almost always with the expectation that they will be sustained by recipient organisations—to improve the lives of citizens”*. Donor funding is therefore intended to provide temporary financial aid (Easterly 2008:259). Hence, recipients must always be prepared and have some capital set aside for the time when donors discontinue funding. In reality, the majority of recipient organisations do not initiate measures to create sustainability. They become complacent until funding is discontinued and the organisation is forced to close or then struggle to find alternative funding to stay afloat.

Even though many recipient organisations shut down when funding is discontinued, it seems that others do not learn from that experience. Bebbington *et al.* (2008: 21) asserts that most NGOs are faced with financial constraints because they spend a lot of their time looking for funding. This is indeed true, however, while NGOs source funding they are also supposed to be thinking of ways of generating their own income. For instance, recipients may start with cost saving measures by charging a small fee for delegates when they attend their seminars or workshops and they may also stop providing refreshments free of charge at events.

There are NGOs who use donor funding to provide training for different sectors. They could charge a facilitation fee and use the funds as reserve in order to be sustainable in future. Cassen (1994:165) asserts that *“donors are of course aware of the need for recipient countries to develop self-reliance”*. On the one hand, some donors will encourage and be willing to give advice on measures to generate own income and ensure sustainability. On the other, some may not be happy because if recipients become sustainable then they won't need them anymore.

Easterly (2008:437) criticises donors who in *“some programs do not build in plans for sustainability”*. It is true that recipients are expected and even encouraged to create sustainability but some donors do not like it when recipients charge fees to delegates attending seminars. Herbert (2005:53) criticises donors that they are not necessarily focused on achieving performance,

rather they use aid to boost national prestige and to create an impression that they care for the poor and as a result they do not care about helping recipients to be sustainable. There are many examples where NGOs had to shut down after funding was discontinued and they couldn't source alternative funding. It is critical for recipients to identify and implement ways of generating income for their own survival and sustainability.

ORIGINS OF GERMAN POLITICAL FOUNDATIONS

Different authors give different viewpoints about the reasons for the establishment of political foundations. Scott (1999:48) states that political foundations are semi-governmental actors created to support the advancement of democracy; they depend on their governments for funding but they are not staffed by bureaucratic staff. With specific reference to the German foundations, Mair (2000:129) states that *"the foundations were originally established to provide the German people with civic education and to assist the political parties in the fulfilment of their functions"*, while Smille *et al.* (1999:117) affirms that the political foundations were started as *"part of a process to support the building of democracy in post-war Germany"*.

The Friedrich Ebert Foundation (FES) was originally founded in 1925 but was banned by the Nazis in 1933. It was re-established by the Social Democrats in 1947. The Konrad Adenauer Foundation (KAS) was formed by the Christian Democrats in 1956 while the Friedrich Naumann Foundation (FNS) was formed by the Free Democrats in 1958 and the Hanns Seidel Foundation (HSS) was formed in 1967 by the Bavarian Christian Social Union (Pinto-Duschinsky 1991:33). The German political foundations have different values. Mair (2000:134) explains that *"the FES is particularly committed to social democratic values, the KAS and HSS to Christian and federal democratic values, the FNS to liberal values and the Green foundations to ecological and emancipatory values"*.

The foundations have two mandates, an official one and an informal one. Regarding the official one they aim at *"providing support to partners who have a structurally important contribution to make to the realization of social justice, the promotion of broad political participation and to the strengthening of national political independence in accordance with the aims laid down in the United Nations Declaration of Human Rights"* (Mair 2000:131).

The role of political foundations in providing civic education to the citizens of Germany has inculcated a democratic culture. Germany therefore wishes to see this democratic culture imported to countries where it is needed (Mair 2000:131). The informal mandate is a foreign policy instrument which is useful to the foundations and to the political parties they work with. Pinto-Duschinsky

(1991:33) asserts that the political foundations are able to take up international political projects because they are funded from public subsidies. The basis for funding a political foundation is dependent on the condition that the party it is affiliated to and gains representation in parliament in at least two successive elections (Mair 2000:129).

According to Smille *et al.* (1999:117) *“funding for political foundations is decided by a Parliamentary Budget Committee and comes from three ministries. For development cooperation overseas, it comes from the BMZ, for political education in Germany it comes from the Ministry of Interior and for Central and Eastern Europe and for scholarship programmes it comes from the Ministry of Foreign Affairs and BMZ”*. The political foundations are free to use their own prerogatives when selecting recipients and projects, once the budget is approved by BMZ (the Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung). Thesing (1999:11) asserts that the foundations are privileged to be able to choose their own partners without interference from their funder. Youngs (2003:136) states that *“the Stiftungen themselves profess a growing adherence to bottom-up approaches, focused on what they perceive as the ‘softer’ projects covering cultural co-operation, social and economic rights and civil society training programmes”*. As all the German political foundations get their funds from BMZ, they are discouraged from funding the same partners/projects. This does not always work out well in practice.

Many foreign governments prioritise the promotion of democracy when allocating funds for aid (Knack 2004:252). Democracy is generally associated with a growing economy, improved socio-economic conditions, better health care, rule of law etc. It is indeed true that during elections a lot of African countries receive funding to ensure that elections are free and fair. Local and international observers come in their numbers to ensure that elections are conducted smoothly. However, this alone won't sustain democracy and ensure that it matures. Continuous engagement is necessary to ensure that democratic processes prevail and that all aspects necessary for a democracy to thrive are in place.

THE KONRAD ADENAUER STIFTUNG: INTERNATIONAL COOPERATION

KAS is in charge of *“over 200 projects in more than 120 countries. The foundation’s headquarters are situated in Sankt Augustin near Bonn, and also in Berlin”*. The civic education programmes of KAS aim at *“promoting freedom and liberty, peace, and justice”* (Konrad Adenauer Stiftung <http://www.kas.de/wf/en/71.3628/>).

Thesing (1999:6) asserts that international cooperation is one of the most important priorities of the foundation. It uses approximately half of its budget to finance international cooperation activities. Funding for the work of KAS in South Africa comes from the international cooperation budget. Germany values its relationship with Africa. Boesl (2010:3) states that Africa is a strategically important continent and it should not be reduced to a charitable case. KAS has nine field offices in Africa namely in the Democratic Republic of Congo, Ghana, Kenya, Tanzania, Nigeria, Senegal, South Africa, Uganda and Zimbabwe. It also has three regional programmes in sub-Saharan Africa namely Media Programme Sub-Saharan Africa, Promotion of Democracy in West Africa and the Rule of Law Program (Konrad Adenauer Stiftung <http://www.kas.de/wf/en/71.4783/>).

Boesl (2010:3) further asserts that German policy on Africa must not be characterised by contributing more funds, but rather by using funds in a more effective and purposeful manner. This is the reason KAS does not just advance funds to recipients. The staff of KAS works together with the recipients to ensure that KAS funds are used for agreed costs as stated in the partnership agreement and also to guarantee that the funds are used in an efficient manner. KAS views the recipients of its funding as partners because of continuous engagement with the recipients on projects and also allowing recipients to decide on projects which they are interested in and not being dictated to by KAS. Boesl (2010:4) emphasises that Germany must aim for *“a partnership with Africa that is not characterised by the conventional donor-recipient logic, but by a symmetrical and equal relationship, requires that African states and players take explicit responsibility for their actions”*. Germany would like to assist Africa but in the same vein, it also would like to see Africans holding their governments to account and that civil society and other important players in society play a meaningful role of ensuring that democratic processes prevail. Africans have the power and expertise to demand accountability from their leaders.

According to Hearn (2000:820) *“the aim of the German Konrad Adenauer Foundation is to strengthen democracy in people’s minds”*. It achieves this objective by hosting conferences/seminars and workshops on diverse topics which encourage debates amongst various stakeholders. KAS also funds research on topical issues which is aimed at improving people’s lives and contributing to dialogue. The KAS offers a variety of scholarships which aims to promote qualified young people and grant them opportunities for postgraduate study in diverse disciplines including politics, international relations, journalism, law and economics. The KAS Alumni are the pride of the Foundation. After completion of their studies, these young people work for governments in their home countries, some work for missions abroad, others work in the private sector and they become important people in society contributing in meaningful ways.

KAS IN SOUTH AFRICA

The office of KAS in South Africa was opened in 1982, during apartheid times. KAS was therefore already working within South Africa when the country attained freedom. Kragelund (2011:589) states that before 1994 South Africa received aid from bilateral donors who did not recognise the apartheid government institutions because they were considered illegitimate. Civil society therefore benefitted a lot from such funding. According to Hearn and Robinson (2000:250) South Africa is the most important African country for the German political foundations: their largest programmes are in South Africa. Hearn (2000: 822) further asserts that *“after 1994 the primary focus of Konrad Adenauer Foundation was influencing the design of the final South African constitution as this would affect the whole political framework of the country”*. KAS brought constitutional law experts from Germany to assist with the drafting of the Constitution of South Africa. The South African Constitution has some similarities to the German one.

KAS also funds research on diverse topics and it also publishes books on important issues. Lately the Foundation has published books like *Zunami-the South African Elections of 2009*, *Local Elections in South Africa-Parties, People and Politics*; *Paying for Politics: Party funding and political change in South Africa and the Global South*; *Public Opinion and Interest group politics: South Africa’s Missing Links, Friend or Foe? Dominant Party Systems in Southern Africa-Insights from the developing world*. Some of these books are used by policymakers and others are prescribed for students at diverse institutions of higher learning.

In terms of democracy assistance *“aid is targeted at a country’s most influential, modern, advocacy orientated civil society organs which include: women’s organisations, human rights groups, national or sectoral NGO for business associations, private policy institutes, youth and student organisations, and professional media associations”* (Hearn 2000:816). In South Africa KAS works with a variety of recipients to fulfil its mandate. In some instances KAS approaches a recipient with a proposal to work together on a conference/workshop or to write a paper on a specified topic. However in most instances KAS receives numerous proposals from organisations or individuals who are interested to work with KAS and access funding from KAS. KAS does not only get requests for funding, some requests are for expertise on a specific topic, cooperation on a project or requests for material for workshops/seminars.

Mair (2000:137) asserts that the local partners submit their proposals to the resident representative who then drafts new projects and submits it to the KAS head office. The resident representative therefore uses own prerogative when selecting proposals. The KAS head office will only see what he/she has recommended. The *“resident representative enjoys a high degree of autonomy,*

at the same time they are securely state-funded by the German Ministry for Economic Cooperation and Development—and therefore, but only to a moderate degree, subject to ministerial controls” (Weissenbach 2010:1228).

Mair (2000:136) further asserts that the Foundation’s resident representatives are fundamental to the foundation’s international engagement. They are charged with ensuring that KAS achieves its aims and objectives and this is realised by choosing programmes which fall under the funding criteria of KAS. The current profiles of the resident representatives are mostly academics with a background in economics or social sciences unlike in the past where resident representatives were active party members.

There are disadvantages associated with the over-reliance on the resident representative. Mair (2000:137) highlights the following, *“the main disadvantage is the dependence on the personal qualities of the resident representative—their competence to analyse the situation on the ground adequately, to deal with the media, partners, politicians and other prominent people correctly, to manage an office of considerable size and substantial sums of money in an accountable way, and their commitment of energy to the promotion of democracy”*. Should the resident representative fail to fulfil his/her duties adequately the image of the Foundation may be tarnished. As a result of the distance between KAS head office and KAS offices *abroad* *“a representative may feel and behave like a king in his/her small kingdom...”* (Mair 2000:137). Nevertheless he further states that there may not be such problems because the resident representatives are competent people who are well-informed about the issues on the ground and know how to react in different situations (Mair 2000:137). The resident representative of KAS is stationed in the country for a maximum period of five years. Exceptions are made to accommodate their family needs. The main reason KAS discourages resident representatives to stay in a country for a long time is to avoid a situation where resident representatives are so absorbed in the host country that they are no longer objective when carrying out their duties.

Van Rooy (1998:62) states that *“political foundations have earned a good reputation with civic and political actors such as trade unions, business associations and political parties”*. This is true also for KAS.

PARTNERSHIP WITH RECIPIENTS

The KAS emphasises partnership with recipients of its funding. Thesing (1999:64) states *“partnership implies opportunities for open-minded dialogue about issues of regulatory policy, legislation, the economy, culture and philosophy”*. Thesing (1999:64) further asserts that *“in the legal sense, projects subsidized by KAS are usually directed by local partner organisations”*. In selecting partners, the KAS

choose partners who share the KAS ideals of freedom, solidarity and justice, partnership with local organisations enhances the impact and effectiveness of KAS programmes (Thesing 1999:64).

The strategy of the KAS in choosing partners also aims to strengthen societal organisations to enable them to enter into dialogue with government and influence governmental policies. The KAS, like other German political foundations has the prerogative to choose its own partners and this helps in choosing partners who *“display a genuine interest in reforms and contribute towards their implementation”* (Thesing 1999:11).

The relationship between KAS and its recipients is one based on mutual respect. Recipients decide on their own projects independently or in cooperation with KAS. However, partners have the freedom to make their own decisions about the projects they wish to engage in. The basis of partnership is such that both KAS and recipients need each other; recipients need funding from KAS to do their work. In the same vein KAS needs recipients because it will be difficult for KAS to have credibility in any country if it does not actively engage local partners. The benefit which KAS derives from having partnerships is that KAS calls upon any of its recipients for advice or expertise on any matter. Some of the recipients offer to co-host events with KAS and in that way both organisations benefit. The KAS funding allocation is decided based on a number of factors, most importantly the proposal must fall under the KAS funding criteria, the relevance and importance of the proposal, the proposed budget, which depending on the cost may be covered in full or KAS may offer to contribute a percentage of the budget. Each of the KAS recipients gets different allocations which, due to the sensitivity of the issue of funding allocations, cannot be disclosed.

RECIPIENTS OF KAS IN SOUTH AFRICA

In South Africa, KAS works with diverse organisations; amongst others, the Institute for Democracy in South Africa (IDASA), Institute for Justice and Reconciliation (IJR), Sustainable Energy Africa (SEA), South African Institute of International Affairs (SAIIA), Democracy Development Programme (DDP), South African Institute for Advanced Constitutional, Public, Human Rights and International Law (SAIFAC), Law Faculty of the University of North-West (Potchefstroom Campus), Impumelelo, St Augustine College of Southern Africa, University of Pretoria (Law Faculty), it also cooperates with political parties like Inkatha Freedom Party (IFP), African Christian Democratic Party (ACDP), United Democratic Movement (UDM) and Congress of the People (COPE). The support of KAS to political parties is limited to capacity training programmes.

PERCEPTIONS OF KAS RECIPIENTS ABOUT THEIR PARTNERSHIP RELATIONSHIP WITH KAS

Eight recipients of KAS were interviewed. Official permission to conduct the interviews was granted by the KAS resident representative at the time. The interviews were conducted on the basis of a set of semi-structured questions aimed at eliciting qualitative responses. All the respondents were fully knowledgeable about the KAS funded programmes in their organisations. The results of the research were as follows:

Organisational independence

Respondents all acknowledged that in submitting proposals to KAS, most times KAS agreed fully to the proposal; however, sometimes KAS, as a political foundation, insists on including a political angle in the proposal (e.g. the political effects of youth unemployment). All agreed that there is an open-door relationship between themselves and KAS, and that they could always inform KAS if they were dissatisfied about something. They know where they stand with KAS, especially with regard to the type of projects KAS funds and also the type of expenses KAS is prepared to pay.

Partnership perceptions

All respondents confirmed that they saw their relationship with KAS as a partnership. It was a transparent relationship based on trust, and a real partnership which assists in the development of the country. There is continuous engagement and discussion on the projects, unlike other donors who advance the funds and require the accounts and reports at the end of the financial year. However, a criticism which echoed strongly from six of the respondents is the lack of institutional funding from donors in general, not only from KAS. This is problematical because the majority of donors prefer to fund projects without due consideration for the salaries of the staff working on the project, and also not considering that the organisation needs to pay for office space, telephone costs etc.

KAS funding model

The KAS funding model is such that in exceptional cases where recipients have partnership contracts with KAS head office, their funds are advanced at the start of the project. However, in general KAS doesn't advance funds to recipients; it pays service providers directly on receipt of invoices, or it reimburses recipients

upon receipt of invoices and proof of payment. Six respondents were satisfied with the KAS funding model: they stated that it encourages transparency and compels recipients to be accountable. However, the model may be detrimental to smaller NGOs who sometimes lack their own finances and must always rely on KAS to pay their service providers. KAS does not provide funding for all programmes of the recipients it works with; therefore it is necessary for recipients to look for other funders. In some instances KAS cannot pay for all costs of specific programmes, thus the recipient is at liberty to look for other funds/funders however, there must be transparency of who pays for what line items.

Respondents regarded KAS accounting requirements as strict, and three respondents mentioned that sometimes KAS is unfairly demanding. For instance, if KAS funds an air ticket for a speaker, it requires a copy of the electronic ticket and the boarding pass, and the traveller must sign both the travel and participant list.

The issue of honorarium payments also emerged during the interviews. KAS does not have a clear policy on when to pay an honorarium, or how much should be paid for specific tasks. In the majority of KAS funded events, speakers at conference/seminars are not paid an honorarium, and this sometimes creates problems for recipients when inviting speakers. KAS pays for the travel, accommodation and meals of the speakers, but does not pay an honorarium for the paper or the actual presentation. Each case is dealt with on its merits. The same applies to KAS funded publications; in most cases authors are paid an honorarium for contributing a chapter and editors are also paid for editing the book, however, some publications, due to budgetary constraints, pay neither editors nor authors.

Staff retention

The issue of staff retention is a difficult one for recipients, especially for those organisations that do not get institutional funding but only project related funding. The issue here is that even if donors pay the staff working on the project during the life of the project, when the project ends and there is a gap until another starts, then it means they will not be able to get salaries. As a result, they quit and look for other jobs and when the next project kicks in, the organisation has to start with new staff. One respondent stated that donors always expect civil society organisations to employ qualified staff, however, they do not want to pay them market related salaries, or any salaries at all. Another stated that if donors pay only for project related costs, how do they expect the recipients to pay the salaries? Projects cannot manage themselves, personnel is needed to do that.

Publications

KAS mostly funds conferences, seminars and workshops and in some instances, papers presented at these diverse forums are collated and published. One respondent highlighted an incident where his organisation had requested funding from KAS for publishing conference papers. Unfortunately the presenters failed to deliver the papers on time and as it was the end of the KAS financial year, KAS asked for its funds to be returned. The respondent felt that KAS should have been flexible and considered the obstacles facing the partner with regard to papers being delivered on time. Another factor he highlighted was that sometimes publishers also cause delays which impact on the agreement the recipient would have made with KAS.

Income generating measures

Only one organisation declared that it had seven million rands of its own reserves, and should donors discontinue funding, it would be able to continue operations for some years. One organisation had reserves which could sustain it for a year, and even then it would have to retrench some staff members. All these organisations are mostly funded by international donors; the feeling is that local donors are more interested in funding grassroots communities and also mostly in building schools or funding women's self-help organisations and other socio-economic activities. It seems they see funding research as an elite initiative.

Sustainability

Over-reliance on donor funding leads to recipient organisations closing when donors discontinue funding. Four respondents declared that they relied on donor funding only and that they didn't have any sustainability measures in place. Though this may seem shortsighted, it is difficult to see how these organisations can be sustainable if they mostly get project related funds. A respondent stated that the civil society sector is always criticised for high staff turnover, but that it is difficult for them to retain qualified staff if they can't pay decent salaries and also if they can't pay such salaries on time. One respondent mentioned that if KAS stops funding for their conferences, they would charge a conference registration fee and unfortunately this would mean that some people, like community members who would have benefitted from the conference, would not be able to attend. Other sustainability measures suggested were to form partnerships and apply for large funding, respond to calls for proposals and apply for tenders.

CONCLUSIONS

The article investigated the relationship between the Konrad Adenauer Stiftung and recipients of its funding. The selected recipients of KAS in South Africa who participated in the study see their relationship with KAS as a partnership, not just a donor-recipient relationship. Though there are some aspects of the partnership which they would like to see improved though they are generally satisfied. Recipients appreciate the donor engagement in their work. Lack of institutional funding is a critical issue for recipients of donor funding, not only for KAS partners. Donors must change from paying only for project expenses and include staff salaries as well. The projects cannot run on their own there is a need for human capacity to do the work. Donors must be understanding because it is difficult for recipients to retain qualified personnel if sometimes there is no money for their salaries.

The issue of sustainability of donor funded organisations must be taken seriously by recipients because donors will not provide funding forever. It is apparent that some of the organisations which took part in this study take the sustainability issue seriously, however, they are limited when putting income generating measures in place. Some organisations already have reserve funds which can sustain them for some time.

Recipients of funding must also be considerate and fulfil their obligations to the donors. When donors realise that recipients do not fulfil their accounting obligations and ignore their regulations they will withdraw funding. The economic recession of 2008 affected donors badly and some donors were forced to discontinue funding and some NGOs in South Africa were forced to close. Unfortunately other donors discontinued funding in South Africa because they were tired of recipients' attitudes of not fulfilling their obligations.

Donors in general and KAS in particular must create space for recipients to voice their grievances or dissatisfaction and this can be done by having a proper monitoring and evaluation system in place. Such a system will not only help to improve the relationship with recipients but it will also help KAS to see if it achieves its objectives and targets.

NOTE

- 1 This article is partly based on a Master's dissertation in the Department of Public Management and Governance at the University of Johannesburg under the supervision of Prof Fanie Cloete. Msibi, Nancy. 2014. Evaluation of the Relationship between the Konrad-Adenauer-Stiftung in South Africa and its Recipients: 2006–2011. *Unpublished Master's dissertation*. Johannesburg: University of Johannesburg.
- 2 Ms Nancy Msibi is a Project Manager at KAS.

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Policy Implementation

The Case of the Department of Basic Education's Teacher Laptop Initiative

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ABSTRACT

The Preamble of the *South African Schools Act, 1996* (Act 84 of 1996) states it is the goal of government to provide all learners with quality education. However, scholars and social commentators agree the public education system in South Africa (SA) is in crisis. Many of the commentators ascribe the situation to the underperformance of educators. Ms N Pandor, the former Minister of Education, gazetted the Teacher Laptop Initiative (TLI) in 2009. President Zuma endorsed it, a month later, with the statement that the objective thereof is to provide educators with a laptop and access to the internet that will help them to improve the quality of education. However, evidence shows educators had not yet received the promised allowance to procure the TLI packages. This article reports on a study which formatively evaluated what had happened during the implementation of the TLI.

The study was conducted within a qualitative research paradigm and the data were collected using the TLI policy document and purposive face-to-face interviews. The data were then analysed through the content analysis method. The findings revealed that a number of policy design problems and implementation obstacles had hampered the TLI implementation. The main recommendation made was that the Department of Basic Education (DBE) should review and resolve the identified shortcomings to ensure a successful future implementation of the TLI.

INTRODUCTION

Scholars and social commentators agree that the public education system in South Africa is in crisis and that the quality of basic education is alarmingly

low even though the state spending on education is amongst the highest amid developing countries (Pottinger 2008:133). However, it is not the government's fiscal allocation impacting the quality of education negatively but rather factors such as problems associated with Outcomes-Based Education (OBE); underperformance of educators and learners; and the lack of resources in historically disadvantaged schools (Pottinger 2008:134–135).

In supporting its goal of providing quality education, government embarked on the TLI. The former Minister of Education, Ms Pandor had this policy gazetted in May 2009 with President Zuma (2009) stating, a month later, that this initiative had been introduced to motivate educators and to provide them with an aid to improve the quality of basic education. Educators would be granted an allowance to acquire an Information, Communication and Technology (ICT) package. However, a number of obstacles delayed the initial implementation in 2009 while evidence suggests that there are still obstacles causing further delays.

The study explored, through a formative evaluation, whether proper planning and policy design had been conducted to ensure the effective implementation of the TLI policy. A further objective of the study was to establish the obstacles that had contributed to the failure to implement the TLI policy. To achieve these objectives, the following research questions guided the study:

- Does the TLI policy document reflect the core elements of policy design?
- Was the management of the TLI implementation effective?
- What obstacles were encountered during the implementation phase?
- What changes could improve the implementation of the TLI?

The aim of this article is to discuss the lack of policy design and additional implementation obstacles that had collectively contributed to the failure of the TLI policy.

PUBLIC EDUCATION IN SOUTH AFRICA (SA)

Bloch (2009:124) points out that SA had achieved a number of successes in basic education. These successes include, among others, the creation of a non-racial education system through the promulgation of the *South African Schools Act, 1996* (Act 84 of 1996); the creation of post-apartheid, non-racial education departments; the attainment of Millennium Goal 2 which is the achievement of universal primary education for boys and girls; the substantial increase in the national education budget; an increase in the school infrastructure budget; a quantitative improvement in the National Senior Certificate pass rate; the school nutrition programme providing meals to learners; and the Dinaledi

programme which focuses on improving mathematics and science excellence in specific schools. However, Bloch (2009:129) argues that these successes are not sufficient to pull the basic education system out of its current crisis. This view of Bloch (2009) is supported by many scholars and social commentators who believe the SA public education system has improved “quantitatively but not qualitatively” (Pottinger 2008:133).

The Preamble to the *South African Schools Act*, 1996 (Act 84 of 1996) declares that the goal of government is to provide high quality education to all learners. The *South African Schools Act*, 1996 (Act 84 of 1996) and the Department of Basic Education’s (DBE) *Strategic Plan 2011–2014* make explicit reference to quality education but neither of these documents actually define quality education.

Bloch (2009:69) states that low quality education is undesirable causing major problems and has the potential to deteriorate further. Bloch (2009:60) maintains that the main consequences of the poor quality of basic education is that it deprives learners of a better future and, secondly, it is mainly prevalent in the already disadvantaged schools. It is, therefore, Bloch’s (2009:60) argument that the current education system is working only for a small proportion of advantaged learners who are thus assured a better future.

Scholars and social commentators are using international and national test results as evidence to support their view of the crisis in public education. Pottinger (2008:138) indicates that the results of the *Trends in International Mathematics and Science* investigation of 2003 showed SA was at the bottom of the list of forty-six participating countries. The results of the *Progress in International Reading Literacy Investigation* of 2005, confirmed the disappointing reality that 78% of Grade 4 pupils were unable to read properly (Pottinger 2008:138). Bloch (2009:62) notes that similar results were attained in tests released in 2005. These tests were completed by 34 015 Grade 6 learners and showed that an average of 35% was attained for language, 27% for mathematics and 41% for science. Similar results were attained in the DBE’s *Annual National Assessment (ANA) of 2011* which assessed almost 6 million Grades 2 to 7 learners in February 2011 on the previous year’s work. The *Report on the ANA of 2011* (2011:20) showed that the national average scores for Grade 3’s were 35% for literacy and 28% for numeracy while for Grade 6’s, the national average scores were 28% for languages and 30% for mathematics. The reality reflected in these results is evidence that public schools are not providing quality education.

Pottinger (2008:133) argues that the main reason for the crisis is not a lack of ideas or the lack of financial resources but educational policies that are too grandiose in comparison with the poor educational provision. Metcalfe (in Pottinger 2008:140) blames the poor level of education on the lack of support for educators; inadequate planning; the lack of focus on literacy and numeracy;

and weak leadership. Bloch's (2009:102) views, in this regard, are that the underperformance is due to the educators' incapacity to use a textbook; to apply methodologies to teach literacy and numeracy; and that educators are not subjected to a formal performance management system despite the existence of the Integrated Quality Management System (IQMS).

In order to address these shortcomings, Van der Berg and Spaull (2011:13) suggest education authorities focus their attention on helping educators to teach and convey learning materials rather than focusing on educational policies.

Bloch (2009:90–91) suggests, as a solution, the framework of Martin Carnoy which explains the three critical factors impacting on education. It is essential for education authorities and educators to apply this framework to ensure quality education. The first factor in this framework is the face-to-face interaction between educator and learner. Related factors impacting on the interactive process, and which rely on the capacity of the educator, include having knowledge of the subject content; the subject methodology; the curriculum; and knowing which educational needs of the learner must be met (Bloch 2009:90). These are important areas in which educators need assistance.

The second factor refers to the support structures available to educators and learners. According to Maree (2010:94), support must be provided addressing factors such as:

- The lack of facilities including libraries and access to computers;
- A syllabus which includes too many projects that learners must complete and educators must assess; and
- Educators are overburdened with administrative tasks, whilst being required to produce their own teaching materials without support from education authorities.

Thus, both parties in the learning process require support if effective teaching and learning are to take place. This support includes management support from principals; support from education authorities; a well-maintained school infrastructure; user-friendly ICT systems; accessible learning materials; ongoing educator training; and appropriate policies that would empower educators to best meet the needs of learners.

A task team comprising Dada, Dipholo, Hoadley, Khembo, Muller and Volmink (2009:7) reported in *Review of the Implementation of the National Curriculum Statement* they found that educators and parents complained they had limited knowledge of the objectives of the curriculum statement; that they were confused about the curriculum statement and assessment policies due to a plethora of policies and interpretations; that many educators and officials had not yet made a paradigm shift from Curriculum 2005 (C2005) to the National Curriculum Statement (NCS); and that educators complained about

their excessive workload due to burdensome administrative work, complicated planning and onerous assessments.

The task team recommended that the administrative workload of educators be reduced; that the requirements and quality of the assessments be improved; that a Five Year Plan to improve teaching and learning be developed; that support be offered to educators; and that one curriculum and assessment policy document be developed for each subject (Dada *et al.* 2009:7–8).

The third factor is the role and interest of society in schools. This view transcends the role of parents and includes funding; transportation; the operation and management of schools; the role of business and government departments; and the impact of social ills on schools. Bloch (2009:123) maintains that many of the problems occurring in schools are the result of societal influences. Maree (2010:96) points out the following support activities society must assist in:

- Providing financial support to trainee educators;
- Providing professional development for educators;
- Ensuring timely assessment and intervention;
- Conducting national educator audits;
- Improving basic training for educators; and
- Improving their knowledge of learning theories.

THE ROLE OF INFORMATION, COMMUNICATION AND TECHNOLOGY (ICT) IN TEACHING AND LEARNING

Gudmundsdottir (2010:174) argues that ICT are regarded as the major facilitator of the knowledge society, and that it plays a major role in education. The development of ICT in education in SA is, according to Isaacs (2007:8), an important objective of the *e-Education White Paper*.

According to Trucano (2007:8), SA has the systems to manage and implement ICT policies in education. Trucano (2007:17) states that schools in SA had taken the lead in introducing ICTs in their curricula long before the education authorities had done so. According to Isaacs (2007:5–6), the use of ICT in schools is aimed at transforming teaching and learning. Isaacs (2007:5–6) states further that there are two policies that support ICT advancement in public schools, namely, the *E-rate* regulations and the *e-Education White Paper*.

The Ministry of Basic Education's *Action Plan to 2014: Towards the Realisation of Schooling 2025* (2010:4) contains 27 goals which are aimed at improving basic education in SA. The aims of goal 16 are to develop the professionalism of educators; their teaching abilities; their subject knowledge; and their computer literacy throughout their careers. Thus, this goal implies a pledge from the DBE to assist educators to improve themselves and the quality of education.

Isaacs (2007:10) lists the following programmes that are current ICT initiatives in the education sector which are aimed at realising this goal. They are among others:

- Gauteng Online initiated by the Gauteng Department of Education for the provision of ICTs in Gauteng schools. However, according to the eBarometer (n.d.:38), this initiative is experiencing several problems.
- The Khanya project initiated by the Western Cape Department of Education. This project is one of the success stories of ICT provision to schools.
- The Thutong Portal of the DBE which provides a range of support and curriculum material to the schooling community.

In contrast to Trucano's findings, the eBarometer (n.d.:40) shows that there is a lack of a clear state-led ICT strategy which is aimed at monitoring and evaluating the various ICT initiatives in the education sector. The eBarometer (n.d.:40) warns that, without computers and access to internet connectivity, schools will fall further behind their international counterparts.

PUBLIC POLICY IMPLEMENTATION

In its manual, *Integrated Policy-making for Sustainable Development*, the United Nations Environmental Programme (UNEP) (2009:43) states that implementation refers to the stage during which a policy is converted into action. The UNEP (2009:43) cautions that this is the crucial phase of the process and the point at which weaknesses in the policy would become evident. The UNEP (2009:43) explains that policy implementation often fails as a result of ineffective and disorganised implementation, planning and design.

Brynard, Cloete and De Coning (2011:144–145) describe policy implementation in a similar way, stating it is the translation of resources into service-delivery outputs which are aimed at realising policy objectives. Similarly, Pressman and Wildavsky (in Paudel 2009:36–37) state that implementation is an interactive process between setting goals and the performance directed at achieving these goals.

PUBLIC POLICY IMPLEMENTATION CHALLENGES

The UNEP (2009:43) regards implementation challenges and recommendations as factors which policy implementers must take cognisance of. The UNEP believes that their recommendations may assist with the effective and successful implementation of a policy. According to the UNEP (2009:93), the following are challenges which implementation practitioners must consider:

- *Slow approval.* In many instances the implementation processes are designed with different levels of approval. Having too many approval levels can slow down implementation.
- *Poor policy design.* Where a policy is poorly designed, the possibility exists that the complexities in the policy will not be addressed.
- *Limited funding.* Badly planned budgets may result in operational plans not been executed or resources not been provided.
- *Poor management and operational planning.* If the management of the programme is weak and the operational plan unsatisfactory, it may result in slow decision-making and implementation.
- *Lack of clarity.* The poor clarification of the roles and responsibilities may result in the mismanagement of the process.
- *Changing conditions.* Implementation is a dynamic process and it is, therefore, important that implementers review decisions in the light of changing conditions.

The UNEP (2009:44–50) recommends four factors that may assist policy implementers to ensure an effective implementation process. They are:

- *Consideration of implementation challenges.* Implementers must make provision for challenges throughout the entire implementation process. Such challenges may include the policy objectives; policy options; resources; capacity to implement; and so forth.
- *Organisation before operationalisation.* It is essential that implementers become organised before becoming operational.
- *Mobilising resources from the outset.* It is vital that implementers determine the resources required for the entire process.
- *Managing stakeholders.* The fourth important factor refers to implementers managing the stakeholder relationships effectively.

THE SIGNIFICANCE OF PUBLIC POLICY EVALUATION

The aim of the study was to undertake a formative evaluation of the TLI. Formative evaluation directs the developmental activities stipulated in policies and it forms part of the design and implementation phase (Guerra-Lopez 2008:15). This evaluation approach usually takes place either at the beginning or during the implementation of a policy. Guerra-Lopez (2008:17) suggests that there are important questions that evaluators should ask when undertaking a formative evaluation and they are:

- Were the correct objectives targeted?
- Were the correct criteria employed to establish the efficiency and effectiveness of the programme and are they measurable?

- Was the correct implementation solution identified?
- Was the design appropriate?
- Were the design and development of the programme aligned?
- Was the implementation solution appropriate?

In explaining the implementation phase in more detail than Guerra-Lopez, Cloete (2009:296) suggests that there are specific planning activities during the implementation phase that are vital to formative evaluation. These activities include determining the feasibility of the policy; prioritising policy issues; setting objectives; considering policy options; determining the availability and utilisation of resources; and anticipating the implementation results. It is essential that these activities determine the costs, benefits, constraints and potential impact of the policy to enable the implementers to decide on the best course of action to take.

THE TEACHER LAPTOP INITIATIVE

It was expected that the TLI would contribute to the teaching and inspiration of educators to improve the quality of education in SA public schools. However, the implementation of the TLI never materialised in 2009 as intended by the government. It was only officially launched by the Deputy Minister of Basic Education on the 15 July 2010. According to Khumalo (2010:1), the Deputy Minister reiterated at the launch that the TLI was intended to enable educators to access information, and use a laptop in their classrooms to improve teaching and learning.

Educators were required to use the facility in their teaching, as well, for administrative purposes. In terms of Gazette 32207 (Republic of South Africa 2009:12) qualifying educators would be provided with a monthly allowance to purchase the ICT package. Educators would also have a choice of ICT packages, and would be expected to pay for the package over a sixty month period. The ICT package would include a laptop, school administration software, the national curriculum, as well, internet connectivity and insurance cover. The DBE budgeted an amount of R550-million in the 2009/10 financial year for the TLI programme. However, this amount was used by the DBE to pay the shortfall in educator salaries after the 2010 educator industrial action (Masemola 2011:1).

The TLI was managed by the Education Labour Relations Council (ELRC) until the beginning of 2013 when this responsibility was transferred to the DBE. The ELRC's responsibilities included the project management of the process; the consultation with suppliers and partners; the accreditation of suppliers and partners; the negotiations of the ICT packages and pricing thereof; and liaising

with the DBE regarding the programme. Due to numerous setbacks, the ELRC decided at the end of 2012 that the DBE must take over the management responsibilities (Tubbs 2013:1).

METHODOLOGY

Research design

The study adopted a qualitative research paradigm with the researcher applying a naturalistic set of methodological procedures including a document review and purposive interviews (Creswell 2013:51–55; Denzin and Lincoln 2011:13). Plano Clark and Creswell (2010:66) state that research within the qualitative paradigm is an investigation of a problem through exploration, with the researcher relying on the contributions of the participants while asking questions, collecting data and analysing the text in a subjective manner aiming at the creation of meaning.

The phenomenon investigated was the implementation of the TLI policy. In understanding a phenomenon, the researcher must explore the experiences and knowledge of the participants who have information of the phenomenon in question. Creswell (2013:20) maintains that a phenomenological approach implies that the researcher tries to get as close as possible to the research participants. Researchers applying the phenomenological approach focus on the lived experiences of the participants who are associated with the phenomenon under investigation (Groenewald 2004:44). In the study the researcher conducted purposive interviews with participants who had been associated with the TLI.

An analysis of the content of the TLI document constituted the first data collection method. The purpose of the analysis was to determine whether there were shortcomings of a policy design nature in the TLI document; how significant these shortcomings were; and whether they may have contributed to the failure of the implementation of the TLI.

The second data collection method involved purposive, face-to-face interviews. This type of interview was chosen to provide the participants the opportunity to express their thoughts about the TLI. The participating groups included two representatives of the ELRC, six educators from three high schools on the West Rand of Johannesburg, one strategic partner and one approved supplier. Nine interviews were conducted over a five-month period between October 2012 and February 2013 while one representative of the ELRC replied to the interview questions in writing.

A number of interview questions were developed for all the participating groups. The questions were all participant-specific, open-ended and they restated

the purpose of the study, as well as the study's research questions (Creswell 2013:138). All of these questions were numbered in order of their relevance to a particular group although they were not always asked in numerical sequence. The interviews were also flexible with the order, numbering, wording and number of questions varying from interviewee to interviewee.

The following procedures were followed in setting up the interviews: Firstly, the participant, school or organisation was identified; the particular participant, school or organisation was then contacted to obtain permission to conduct the interviews; and an appointment was made. The names of the ELRC representatives, the strategic partner and supplier were obtained from the TLI website while the names of the educators were obtained from the management of the three schools. All the interviews were conducted at the work places of the participants in order to establish a rapport with the participants and also to create a relaxed atmosphere in which to elicit open and honest responses from the participants. All the interviews were digitally stored, transcribed and analysed by the researcher.

Throughout the entire data collection and data analysis processes, the researcher fulfilled the role of research instrument (Creswell 2013:45). This role included arranging the interviews, conducting the interviews, transcribing the interviews and analysing the data that had been collected.

Sampling

The three public high schools that were selected included a historically white school, a black school and a coloured school. The sample was reflective of schools that had been managed by the separate education departments which had been so constituted under the Apartheid education system. The selected schools included Die Burger High School, Cosmo City Secondary School Number 3, and Westbury High School. There were three female and three male educators. The representatives of the ELRC included a representative from the National Professional Teachers' Organisation of South Africa (NAPTOSA) and a representative of the South African Democratic Teachers Union (SADTU) while the strategic partner was from Microsoft SA and the supplier from Laptitude Solutions (PTY) Ltd. These four participants were all male.

All the interviews were audio-recorded with the permission of the participants. Each of the interviews was coded as "Pseudonym name – 19/10/12". The interviewees were requested to sign informed consent agreements and they were assured that the information would be used for research purposes only and that their identities would be kept anonymous. Pseudonym names were, therefore, used in order to refer to interviewees. Soon after the interviews, the researcher listened to the recordings and made notes of key words, phrases and

statements used by the interviewees. Written transcripts were also made of all the interviews.

The data analysis was, firstly, about discovering and uncovering the insights of the research participants and, secondly, about determining the significant shortcomings contained in the TLI document. In addition, the data analysis process included the ordering, structuring and giving meaning to the data collected so that it could be summarised and interpreted as findings that were both dependable and accurate (Bloomberg and Volpe 2008:96).

The significance of triangulating the data was such that the data were corroborated; a deeper understanding of the TLI was obtained; and the trustworthiness and validity of the study were ensured (Bloomberg and Volpe 2008:72–73).

The qualitative content analysis (QCA) method was used. According to Schreier (2012:8–9), this method aims at describing the meaning of qualitative data in a systematic way and may be applied to all types of text. Schreier (2012:8–9) further states that the data used for analysis are generated either by the researcher or taken from other sources. The analysis focused on selected parts of the material based on the research questions. These parts were coded and the data were thematically linked, thus creating categories that were used in the interpretation of the data (Schreier 2012:8–9). This method was flexible as it allowed for the reduction of the data in terms of which the researcher was able to limit the analysis to certain aspects to fit the research undertaken.

During the data analysis process a computer-assisted qualitative data analysis software package (CAQDAS), namely, Atlas.ti was used. Atlas.ti assisted in the process of performing the QCA of the data collected.

Content analysis of the TLI

In their publication *Practical Policy-improvement Tools*, Cloete, De Coning & Rabie (2011:307) suggest that there are essential elements that a good policy document should possess. However, they acknowledge that it is not always possible to develop a structured, standardised policy document. They admit that the content and format of policy documents may differ for various reasons, such as varying from government department to government department or even from country to country. Nevertheless, these theorists believe that policy documents should, at least, contain acceptable essential elements. These elements include an executive summary; a table of contents; the introduction and background to the policy; the public participation process that was followed; the problem statement; the policy goals and objectives; identification of the policy options; the policy analysis and assessment; the implementation strategy; and the policy evaluation and review strategy.

These elements would, according to these policy theorists, contribute to the rigorousness of the policy.

Annexure A in *Government Gazette* 32207 (Republic of South Africa 2009) is titled “TLI Policy”. However, as compared with the elements presented by Cloete *et al.* (2011:307), it is clear that Annexure A does not contain these elements but, instead, provides a list of 20 points of which educators must be aware of. The list contains information that is important for educators as it spells out who is eligible; what the minimum specification of the laptop package is; when the initiative will commence; the responsibility of the educator to source the laptop package; the role of the Provincial Education Departments (PEDs); the conditions to qualify for the allowance; the role of the ELRC; the issue of stop orders; and a code of conduct.

Schedule A2 of the document stipulates the “Conditions for the TLI package” (DoE 2009:10–11). This schedule lists nine conditions that are directed at participating educators. These conditions spell out time-consuming and tedious processes that will further increase the administrative burden of educators and principals while asking whether these conditions are practically achievable.

Schedule A3 of the document details the “Monthly allowance for the TLI” (DoE 2009:12). The allowance per educator amounts to R130.00 per month over sixty months while the educator’s contribution amounts to R65,83 per month over sixty months.

Content analysis of the purposive interviews

The analysis, interpretation and findings are based on data collected through the purposive interviews and are discussed in terms of the following variables of the 5C protocol, as a model to assist implementers with the effective implementation of a policy, and as proposed by Najam (1995), Brynard (2005) and Brynard *et al.* (2011):

- The nature of the institutional context;
- The commitment of the implementers;
- The administrative capacity of the implementers;
- The support of clients and coalitions; and
- Communication as an implementation variable.

The nature of the institutional context

Policy implementers must have a good understanding of the institutional procedures and processes as well as the macro-economic context in which the policy is implemented. The required understanding would help implementers to be aware of the impact these institutional and macro-economic factors have on the implementation process (Najam 1995:35; Brynard *et al.* 2011:147).

In the same year during which the TLI was gazetted, the Department of Education was divided into two departments: Higher Education and Basic Education. Since then, the DBE assumed accountability and responsibility for implementing the TLI. However, the Education Ministry decided that the ELRC must manage and implement the policy. One ELRC representative stated:

“And they then made a decision that may be it... should be better handled by the ELRC ... And that’s the task that was given to the ELRC, setting up the model in terms of what would be the best options that they can give to educators and what is it that would also be needed...”

The TLI partner described the ELRC’s role as follows:

“Within the consultative process facilitated by the ELRC, I recall them being in discussions and engagements with representations from teacher unions, from provincial departments of education, from the private sector, Telcos, from software vendors, from training providers, ...”

According to an ELRC representative, the ELRC had developed an implementation model that was ready for implementation but was halted due to financial problems. He stated:

“Now in the ELRC and unions looked at it and came up with a better well researched concept and saying this is how the model should be implemented and then from there was no money.”

Although the ELRC had played an important role in the implementation of the TLI, their management thereof had not been without shortcomings. They had not always held timeous discussions with the DBE about important matters. The supplier said:

“... but the process that the ELRC put in place was a very transparent one ... sometimes the ELRC itself was very slow in its deliberation with government to be able to get the effective result...”

The TLI partner believed that the TLI programme had become extremely complex and may have contributed to the failure of the implementation of the TLI. His opinion was:

“What we started to see ... was that the model ... became very complex ... if you define a model in a very complex way before you implement it ...”

the risk of over complication and, hence, the risk of failure is just so great exponentially."

The commitment of the implementers

The effectiveness of the implementation of a policy also depends on the commitment of the implementers and the other role players to ensure that the implementation is carried out to its logical conclusion (Najam 1995:35; Brynard *et al.* 2011:147).

It would appear that the only parties that were convinced that the DBE was committed to implementing the TLI were the partner and supplier. The supplier said:

"Yes. Government is always committed. The intent to deliver the TLI, I believe, by the Department of Education is true. It is genuine. They believe in the project otherwise there would never have been a Gazette."

Similarly, the partner said:

"In fact the ELRC has been tasked with the responsibility to facilitate both the planning and the consultative process and shortlist ... for me it's an indication that there was a level of commitment."

During the 2010 educator industrial action, the DBE had decided to use the budgeted R550-million of the TLI programme to cover the shortfall required for the increases in educator salaries. On the matter of the DBE spending the TLI budget on educator salaries, the supplier justified the DBE's action by saying:

"... but used the money instead to pay the salaries of the increases required. That is not fruitless expenditure like the way the newspapers reported it. That is the government being responsible"

In total contrast to the above views, the educators stated—without exception—that they believed that the DBE had not been committed to implementing the TLI. One of the educators said:

"If I look at the communication that happened from the Department of Education or ... the Gauteng Department of Education ... during the course of one whole year, then I'm telling you that they are not committed because I haven't, for this whole year, received a single circular or letter or anything informing me about this."

The administrative capacity of the implementers

Policy implementers must have the abilities to administer and carry out the policy implementation process (Najam 1995:35; Brynard *et al.* 2011:148). Most of the educators interviewed believed that the DBE had the capacity to implement the TLI. One educator said:

“They can implement it. I don’t know the administration of it itself ... if the Department can make debit orders for different insurance companies and medical aids and things like that, surely they can do it for the TLI.”

However, the ELRC representatives expressed a different opinion. The following statement of a representative of the ELRC expresses the view that the DBE had abdicated its responsibilities and had not designed the programme correctly:

“... as the National Department, if you come up with a concept you, therefore, cannot want to disown it. Disown it in a sense that you want somebody to implement it on your behalf. It is your concept and all you have to do is implement it, because it should have been costed correctly, it should have been planned correctly...”

The success of the implementation also depended on the capacity of the partners and suppliers. The ELRC, as the manager of the process, had not been sure whether the suppliers or partners had the capacity to deliver the required products and services. A representative of the ELRC wrote:

“Some of the accredited providers have the capacity but it is not possible to say whether this is true of all the suppliers. Whether or not every supplier was/is able to deliver is not possible to determine. However, the accredited suppliers were all big companies and it is reasonable to assume that they would have had the capacity.”

The support of clients and coalitions

When a policy is implemented, the implementers must plan around the beneficiaries and interest groups of the policy (Najam 1995:35; Brynard *et al.* 2011:150–151). This is important because these beneficiaries and interest groups have the ability to accept or disrupt the policy implementation process.

The educators were positive about the TLI and all the participants agreed that the TLI would have a positive impact on teaching and learning and, therefore,

on the quality of education in public schools. However, both the stakeholders and educators viewed the laptop in combination with other technology such as the Internet or a data projector as a solution with the potential to improve the quality of education. The TLI partner stated:

“... if you define the TLI as a technology procurement ... exercise, in other words, it’s hardware, software, connectivity ... the answer is no ... If the TLI serves this ... purpose of enabling and supporting a teacher ... to build their professionalism, their competencies in their core role ... then I think it has huge potential.”

Similarly, an educator said:

“I don’t think that one can teach effectively without a laptop or without the particular programs that help the students ... So, it’s very powerful ... and I use it in combination with the internet.”

A challenge that is related to the educators as clients of the policy and that had hampered the implementation of the TLI was the issue of blacklisting. According to the ELRC (Timeslive 2011:1), between 35% and 40% educators are not creditworthy and would have had difficulty in obtaining finance to purchase the TLI package. The supplier said:

“... because our teachers became blacklisted we couldn’t fund teachers ... funders could not make it feasible for us to lend money to our teachers for them to buy the solution”

Educators believed that they required additional technology to enable them to use the laptops and software offered by the TLI programme more effectively in their teaching. An educator said:

“... but surely you can pick-up a data video projector ... for R3000 per projector... if you can have something like that in every classroom teaching would be so much more effective”

Communication as an implementation variable

Although communication is not explicitly stated as a variable of the 5C protocol, Brynard (2005:21) however, believes that communication could be considered the sixth C of the implementation protocol. Brynard (2005:21) argued that

communication is an important and integral variable within the implementation process.

The educators were totally unaware of the content of the TLI policy document. The following statement from one of the educators illustrates this:

"I have very little knowledge of that. It is not something that is made known to the teachers, especially in the IT and CAT community. I have heard about it ... but up to now, I have from ... the Department of Education, I have received nothing and no information whatsoever about this initiative."

Another educator said:

"No. I think it was somebody who just realised that this was a bright idea and computers would be needed in schools and computers are the future ... but I don't think teachers were properly consulted about this thing. I don't think the unions consulted the teachers properly."

Emerging issues and suggestions for future improvements

The DBE had taken over full responsibility for the TLI at the beginning of 2013. However, no reasons were provided for this development. A representative of the ELRC said:

"The project is no longer with the ELRC—the Department of Basic Education has assumed responsibility. The ELRC has taken the project as far as it could... the biggest challenge is the funding of the TLI."

The participants had several suggestions to make regarding improvements that the DBE should consider regarding the TLI policy. A representative of the ELRC indicated that the DBE should review its involvement and responsibility with regard to the TLI. It was also suggested that the DBE should budget more than just an allowance for educators, as educators required more than a laptop and software to enable them to use technology effectively as a teaching and learning aid. Accordingly, the DBE should consider that educators also need other technologies such as internet connectivity, data projectors, and so forth. The ELRC representative said:

"You don't just have a laptop, you need an infrastructure ... you need a model of cost... You say, ok this is how much I'm giving to the member as an allowance but apart from that this is my responsibility as government."

FINDINGS AND RECOMMENDATIONS

Does the TLI policy document reflect the core elements of policy design?

It was found that the policy had been poorly formulated and designed. The TLI policy document lacks the essential elements that would render it a sound policy document. A crucial finding in this regard was that the TLI policy document does not contain the background to the TLI; the reasons for deciding on a laptop that would assist educators; the public participation process that was followed; the problems that this initiative will solve; the goals and objectives of the TLI; the TLI policy options and why this particular initiative was selected; the implementation analysis and assessment that were conducted; the implementation strategy or the intended policy evaluation that will be undertaken. It is, therefore, evident that the TLI policy document is lacking the essential elements and format of a policy document as proposed by Cloete, *et al.* (2011:307).

Indications are that some educators are completely unaware of the TLI policy with the participants indicating that they did not know the content of the policy nor had they been informed about it. The poor communication from the DBE is an indication that a top-down approach was taken and that little regard was paid to the interests and concerns of the beneficiaries.

Was the management of the TLI implementation effective?

In 2009 the DBE took over the responsibility for primary and secondary education and consequently, for the TLI policy. The Basic Education Ministry is directly accountable and responsible for the implementation of the TLI. However, prior to 2013, the Ministry decided that the ELRC should manage and implement the policy although the policy states that the ELRC must negotiate with financial institutions. Making the ELRC responsible for the implementation of the TLI policy, is a clear indication that the DBE did not have the capacity to implement it and therefore transferred its responsibilities to the ELRC. The ELRC developed a conceptual framework and an implementation plan and negotiated pricing and contracts with partners and suppliers. The ELRC however, had not implemented the TLI because of a lack of funding. The initial budget of R550-million allocated for the TLI was used for educator salary adjustments in 2010. This is also an indication that the DBE was not committed to the TLI. It is clear, therefore, that although the management and implementation of the policy was left to the ELRC, the ELRC did not have the funds to implement it. Evidence suggested that the financial control resided with the DBE and therefore

incapacitated the ELRC to implement the TLI. Two other areas in terms of which the capacity of the ELRC may be questioned related to their lack of timeous liaison with the DBE on important issues, and their method of determining the capacity of the TLI suppliers and partners.

However, after the announcement early in 2013 that the DBE would manage the TLI going forward, the expectation was that the DBE would have the capacity to implement the policy. It cannot be denied that a great deal of work went into the TLI project under the management of the ELRC.

It also emerged that the educators believed that they would require additional technology to enable them to utilise the TLI package more effectively in their classrooms. In addition to the laptop, educators would need data projectors in order to present their lessons to learners. It is, therefore, important that the policy implementers make budgetary provision for additional technology.

Educators also indicated that they had not been consulted about the TLI. It is the responsibility of the DBE to communicate with educators about the TLI as, through communication, all the uncertainties, misinformation and feelings of exclusion would be eliminated. Educators would know what the *status quo* is and feel as beneficiaries of the programme. However, the educators should also be proactive and engage the DBE about the status of the TLI. The TLI is public knowledge and the educators—as beneficiaries—have the right to know what is happening to the implementation of the TLI.

What obstacles were encountered during the implementation of the TLI?

Numerous obstacles had hampered the implementation of the TLI. These obstacles included the funding of the TLI; commitment on the part of the DBE; the capacity of the DBE; the issue of blacklisting of educators; and the lack of consideration of the cost of resources such as the TLI packages. The reallocation of the TLI budget to fund educator salaries after the industrial action in 2010 may be regarded as a major obstacle in the TLI implementation process. In addition, this action of the DBE highlights an important consequences for the TLI. It indicates that there was no long term budget planning for the TLI beyond 2010. The TLI partner and supplier were the only interviewees who believed that the DBE is committed to the TLI. Although these two parties believed that government is always committed to projects, and that the appointment of the ELRC to manage the implementation indicated commitment, the fact that the budget was utilised for another purpose and the DBE's responsibility was given to the ELRC are clear indications that there was a lack of public policy management capacity as well as non-commitment on the part of the DBE. The ELRC representatives and the educators were

not convinced about the DBE's commitment. Despite the fact that the DBE had appointed the ELRC to manage the TLI implementation, they should have continued to play the role as owner and responsible party with regards to the entire implementation process.

The educators believed that the DBE had the capacity to implement the TLI. Although this is a valid perspective on the side of educators, the fact that the DBE transferred its responsibility to the ELRC suggest that the DBE did not believe it had the administrative capacity to implement the TLI. The ELRC had prepared an operational framework and implementation plan but the lack of funding had hampered the implementation of such a plan.

Another obstacle that had hampered the implementation of the TLI policy was the issue of the blacklisted educators. It is a fact that there are educators who have been blacklisted by financial institutions and, with the current conditions in place as regards qualifying for the TLI package, these educators would not have benefited from the programme. This is a major challenge that the DBE must consider and resolve.

The issue of the cost of the TLI packages reflected diverse views that were significant. The TLI partner and supplier viewed the cost of the TLI packages as reasonable while 50% of the educators believed that the costs were too high. The educators are the clients and beneficiaries of the policy and, if they do not accept the cost of the TLI packages, the policy is doomed to fail.

What changes could be proposed to improve the implementation of the TLI?

Firstly, the DBE, as the accountable department, must ensure that the TLI is designed and implemented effectively. The three critical issues to which the DBE must attend as a matter of priority are the TLI policy design; the budget for the whole TLI implementation process; and the matter of the blacklisting of educators. To ensure the successful implementation of the TLI, the DBE must review and improve the TLI policy. The most important areas that must be addressed and changed are all linked to the design of the policy and include matters such as the formulation of clear objectives; the establishment of an implementation mechanism; the creation of operational and implementation plans; the setting of tasks and targets; the formulation of plans to analyse, evaluate and review the implementation process; identifying and appointing critical and competent individuals and operational units; and clarifying the roles and responsibilities of all role players.

Furthermore, the DBE must consider the management and operational details of the implementation process. The DBE must take full managerial responsibility for the implementation process and also play an active role in the process.

The DBE must also review, as a second priority, its costing model and budget to include significantly more than just an allowance for educators. The budget should be focused on the long term and it should make provision for the cost of the entire implementation process. The DBE must adopt the approach that the budget must fund the entire implementation process. The budget must, therefore, be linked to all the critical areas within the policy as well as the operational plan and tasks. In addition to the allowance for the educators, the budget must also make provision for the procurement of additional and supportive technology, such as data projectors, which is needed to ensure the laptop is used as an effective teaching aid in the classroom. The budget must also make provision for the training of educators regarding the new technologies. In order to budget adequately, the DBE must conduct cost-analysis and feasibility studies to assist them in drawing up a proper budget for the TLI.

The DBE should, thirdly, develop a communication plan for the TLI implementation process. The purpose of the communication plan would be to share information in respect of the implementation process as well as to keep the beneficiaries and stakeholders informed about the status of the implementation.

An area that must be addressed as a fourth priority is the issue of the blacklisting of educators. This is a major issue if the DBE intends to achieve its objective of providing all permanent educators in public schools with a laptop. It is recommended that the DBE involve all the relevant stakeholders such as educators, unions, school governing body representatives, Treasury, financial institutions, and other interested parties in a consultative process to discuss and debate this matter.

Another important matter that was mentioned earlier but which merits the attention of the DBE, is the issue of training for educators. Educators will need training with regards to the new technology to which they will be exposed. If the DBE intends to achieve its aim of improving the quality of education in SA, it will have to ensure that educators are competent users of technology in classrooms. Educators do not see TLI package merely as a powerful teaching aid but also as an enabling means that will assist with their administrative burden.

In correspondence received during the study, the DBE indicated that it was working on a procurement process. However, in view of the sensitivity of the process no detailed information was provided. The challenge with this is that, if the above recommendations are not considered, the risk exists that the TLI policy implementation will not succeed.

In addition, if it is the intention of the DBE to supply the TLI packages as gazetted, then it is likely that the TLI will have little impact on improving the quality of education in public schools. The study has shown that, for the TLI to be effectively applied in the classroom, educators need more than just a laptop and software.

CONCLUSION

South Africa is still challenged with the progress made in education. Educators have a major role to play to improve the quality of education and thus need resources that will assist them in achieving this goal. One such resource could have been the TLI package that was promised to educators. However, due to the incapacity of the DBE, educators were denied this valuable resource that could have assisted them. The opportunity still exist to provide educators with this resource. Although the implementation of the TLI failed, many lessons were learnt that can assist the DBE to achieve the aims set out in 2009. The DBE has the opportunity to review and evaluate the failed process and establish solutions that can address these shortcomings. The policy implementers of the DBE can then reconceptualise the policy process and implement the TLI. By doing this, the DBE will not only assist educators, but they will invest in improving the quality of education in South Africa.

NOTE

- 1 This article is partly based on the author's master's dissertation. Paris, D.R. 2013. *A Formative Evaluation of the Teacher Laptop Initiative Aimed at Improving the Quality of Teaching Outputs and Outcomes in Schools*. Unpublished Master's Dissertation. Johannesburg: University of Johannesburg.

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Perceptions of Staff Regarding the Implementation of the Performance Management System in the Botswana Public Service Between 1999 and 2014

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ABSTRACT

The Botswana Public Service was confronted with several challenges when implementing the performance management system. Against this background, this research was undertaken to determine the perceptions of staff regarding the implementation of the programme in the Ministry of Foreign Affairs and International Cooperation between 1999 and 2014. A mixed methods research design was employed using a case study, evaluation research and a survey as well as the model of social programmes. A sample of 90 was selected using purposive sampling and yielded a response rate of 54%. Data sources included a literature review, document analysis, questionnaires and interviews. The study found, *inter alia*, that implementation was problematic because of unclear foreign policy goals and objectives, thus recommending setting specific foreign policy objectives. The study findings highlight some of the major factors that affect the implementation of performance management. By identifying these factors through empirical study, this study generated new knowledge to the extant literature on implementation of performance management

systems. This is an applied social research study that addresses the practical and theoretical issues of performance management which is of critical importance and interest to the Botswana public service because of the need to improve public service delivery.

INTRODUCTION

Performance management is an issue of critical concern to political leaders, citizens and public servants because of the need to improve public service delivery (Dzimhiri 2008:47). Consequently, African countries such as Botswana, Namibia and South Africa are implementing performance management systems to make certain public servants and public services are performing optimally and delivering quality services to the citizenry. The Botswana government uses the performance management system “as an instrument to enable government ministries and independent departments to conscientiously work towards optimum delivery of public services to the nation” (Republic of Botswana 2002:2). In this regard, it is mandatory under Sections 6(1) a and 6(1) c of the Botswana Public Service Act of 2008, Chapter 26:01 (Act Number 30 of 2008) for all public service employees to “provide effective and efficient service to the public and to Government” and to “continuously improve their performance in delivering services.”

The implementation of the performance management system in the Botswana Public Service gained national attention following the pronouncement by the President of Botswana, Lieutenant General S K I Khama on 18 October 2009 that public service delivery would be one of the major priorities of his administration. The main priorities of president Khama’s administration are the five “Ds” namely democracy, development, dignity, discipline and delivery. Effective and efficient public service delivery is critical to promote and sustain national development, economic diversification, global competitiveness and to improve living standards and dignity of citizens (Letsebe 2009:2).

However, during the past decade the failure rate of change initiatives, including the performance management systems, was estimated to be as high as 70%, worst performers being developing countries in Africa, Asia, and Latin America (Hacker and Washington 2004:52; Washington and Hacker 2005:401). A study conducted by De Waal and Counet (2009:367) found that the failure rate of implementation of performance management systems had decreased from 70 to 56%. However, another study by Hope and Player (2012:1) found that the failure rate was still at 70%. These percentages are an indication

that performance management is poorly managed and its implementation is disappointing.

Globally, there are a few success stories of performance management which include countries such as New Zealand, the United Kingdom and the United States of America. In Africa, Botswana, Namibia and South Africa are listed as success stories of performance management (Commonwealth Secretariat 2010:92). Comparatively, implementation of performance management systems has fared better in countries where the implementation of the programme was internally initiated or driven and funded, government top priority and adequate financial and human resources were allocated; highest-level support and commitment from the political and administrative leadership; effective communication to build a business case for change; continuous employee and leadership training and development; detailed plans and guidelines as well as institutional structures and agencies to support programme implementation (Nyamunga 2006:18; Dzimbiri 2008:55–56).

There is limited literature investigating the implementation of performance management systems in the global environment from a public service perspective, particularly in ministries of affairs (Rana 2011:349; Botlhale 2015:8). The available studies focus mainly on private sector companies, especially multinational corporations. Consequently, the factors that affect the implementation of performance management systems in public service institutions operating in the global environment are less known. This study attempts to fill this void. The study identified only two articles that investigated the implementation of performance management systems in the ministries of foreign affairs, one by K S Rana (2004) entitled "Performance Management in Foreign Ministries," and another by M Mwagiru (2006) titled "Issues, Problems, and Prospects in Managing the Diplomatic Services in Small States." Similarly, only two books were found that discussed performance management in the ministries of foreign affairs written by the same author K S Rana (2005 and 2011) titled *The 21st Century Ambassador: Plenipotentiary to Chief Executive* and *21st Century Diplomacy: A Practitioner's Guide*.

Furthermore, no study was found that investigated the implementation of the programme in the Ministry of Foreign Affairs and International Cooperation of the Botswana Public Service. The study findings and recommendations may assist to improve the implementation of the programme and other future interventions. Given the high failure rate of implementation of performance management systems in Africa and the fact that no study has previously been done on this topic in the case study institution, this study investigated the following research problem: "What are the factors that affected the implementation of the performance management system in the Ministry of Foreign Affairs and International Cooperation of the Botswana Public Service between 1999 and 2014?"

In light of the above, the research questions for this study were the following:

- What is the meaning of performance management?
- What are the origins of the concept of performance management?
- What analytical framework was used to answer the research problem? Why was this framework chosen?
- Which research design and methodology was used to investigate the research problem?
- What were the findings and interpretations, conclusions, limitations and recommendations?
- What contribution did the study make to the field of (P)public (A) administration?

This article is structured into four main parts. Firstly, it reviews the literature on performance management. The subsequent two sections discuss the research design and methodology, findings and interpretations. Lastly, it discusses limitations, areas for future research, recommendations and conclusions.

LITERATURE REVIEW: THEORETICAL PERSPECTIVES ON PERFORMANCE MANAGEMENT

The literature review is divided into three components: definition, origin of performance management and analytical framework.

Definition of performance management

Definitions of performance management differ noticeably because the concept is a generic and multi-dimensional phenomenon which is always evolving and is defined differently in each country or administrative system. On the one hand, Bukh and Mouritsen (2014:3) defined performance management as an unending formal process that institutions use to improve, measure and manage individual, group and institutional performance in order to achieve the strategic intent or objectives. On the other hand, Armstrong and Baron (1998:7) portrayed performance management as a “strategic and integrated approach to delivering sustained success to organisations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors.” In turn, Armstrong (2015:9) described performance management as a “continuous process of improving performance by setting individual and team goals which are aligned to the strategic goals of the organisation, planning performance to achieve the goals, reviewing and assessing progress, and developing the knowledge, skills and abilities of people.”

Despite these differences, most authors, however, are in agreement that performance management can be defined as a strategic, integrated and holistic approach to the management of individuals, teams and institutional performance. It encompasses a broad array of issues dealing with the measurement, management and improvement of performance such as objective-setting, performance planning, development of performance standards, performance review and feedback, performance monitoring and reporting, employee development, and recognition and reward of performance.

Origin of performance management

The concept “performance management” was first used by Beer and Ruh in 1976 in their study of the performance management system at Corning Glass Works of the United States of America entitled “Employee growth through performance management” (Armstrong and Baron 1998:43). However, its historical antecedents go as far back as Biblical times and the Chinese dynasties of the 221–206 BC. The Bible refers to performance evaluation in Exodus 35 in approximately 1350 BC wherein the Lord commanded the people of Israel to devote six days of the week to build the Tabernacle. The quest for measurements of performance and quality is traced to around 2500 BC when ancient Egyptians started constructing pyramids (Brudan 2009: online internet source).

Historical accounts further show that Chinese dynasties such as Han and Wei used a type of performance management system. The Han dynasty that ruled from 206 BC– 220 AD reportedly used the merit principle by conducting examinations to recruit and promote those who served the emperor. Similarly, the Wei dynasty that ruled from 221–265 AD reputedly used an Imperial Rater for performance evaluation of the official family members (Armstrong and Baron 1998: 29). The above analyses show that performance management has a long history and is not a new concept.

Performance management was widely used by governments in the 1980s and 1990s to respond to pressures from globalisation and to improve public sector performance. In most developing countries, the performance management systems were introduced as part of the structural adjustment programmes of the International Monetary Fund and the World Bank, mainly to support stabilisation in these areas. They were introduced in African, Asian and Latin American ministries of foreign affairs around 2000 (Rana 2011:173). The United Kingdom was the pioneer of the performance management system in the ministries of foreign affairs in the late 1980s and Australia, France and New Zealand followed suit (Rana 2004:385). The Ministry of Foreign Affairs and International Co-operation of the Botswana public service pioneered the performance management system in Africa in 1999.

This study used the model of social programmes as an analytical framework.

Analytical framework: Model of social programmes

In the human resource management context there has always been widespread debate about the best way to measure the performance outputs of people. The effect of the difficulty in defining measurement methodologies resulted in the development of different analytical frameworks to look at a particular phenomenon. An analytical framework is an orientation or general way of looking at the phenomenon under consideration. It provides assumptions, concepts and forms of explanation (Neuman 2006:74). The model of social programmes is a multi-dimensional analytical framework that is used to evaluate the effectiveness of implementation of social interventions or programmes, policies, systems and schemes using eight main dimensions that characterise all social interventions (Babbie and Mouton 2001:335–336). The eight main dimensions are: (1) programme goals and objectives; (2) target group; (3) outcome measures; (4) programme components; (5) programme infrastructure; (6) human resource base; (7) programme stakeholders; and (8) programme context. The eight dimensions are important for this study because they highlight the factors that are critical to programme conceptualisation, design, implementation, monitoring and evaluation.

The model of social programmes was selected because of the following reasons:

- It provides a holistic and comprehensive framework for understanding and analysing the research problem by identifying concepts and theories that are pertinent to describe and explain the studied phenomenon (Babbie and Mouton 2001:366).
- It is a multi-dimensional analytical framework that synthesises several frameworks that deal, *inter alia*, with theories of programme implementation, institutional change and employee motivation (Christensen and Gazley 2008:267).
- Comparatively, it covers many (eight) dimensions which makes it more comprehensive thereby giving it more predictive, explanatory and analytical power. For example, the performance management model proposed by Bento and White (2006:53) covers only three dimensions, while the model proposed by Hacker and Washington (2004:53) to measure large-scale organisational change covers only six dimensions.
- It was used to structure the study in a logical manner and to guide data collection, analysis, interpretation, and drawing conclusions (Babbie and Mouton 2001:366).

The second part of this article covers the research design and methodology, population, sampling and sampling method, data collection instruments, pilot testing, data analysis, ethical considerations, and storing and disposing of data.

RESEARCH DESIGN AND METHODOLOGY

This study used a mixed methods research design which combines both qualitative and quantitative approaches, methodologies, techniques and paradigms in a single study in order to have an in-depth understanding of the research problem (Creswell and Plano Clark 2011:4–5). The researcher used a case study method, applied social research and the survey method. The selection of these methodologies was based on the type and purpose of study, nature of the research problem, and research questions. A case study method and applied social research were selected because this study deals with the practical problem of implementing the performance management system. The two methodologies are best suited to study the research problem in its natural setting, to obtain textual or descriptive data and contextual understanding of the studied phenomenon. Survey research was used to obtain perceptions of staff regarding the implementation of the performance management system in the Ministry of Foreign Affairs and International Cooperation of the Botswana public service. The study used the post-positivism paradigm which is suitable for studies that use qualitative research methodologies such as case study method and applied social research and subjective interpretations of respondents (Bhattacharjee 2012:20).

This study was undertaken for exploratory, descriptive and explanatory purposes. This was an exploratory study which was undertaken to contribute to the limited literature that investigates the implementation of performance management systems in the global environment from a public service perspective. The study was also descriptive because it makes systematic observations and detailed descriptions of the implementation of the performance management system. Moreover, it was explanatory because it identified and explained the factors that affected the implementation of the performance management system in the Ministry of Foreign Affairs and International Cooperation.

Population, sampling and sampling method

In this study the population consisted of 526 employees ($N = 526$), which was the total number of staff members in the Ministry of Foreign Affairs and International Cooperation headquarters and the 21 Botswana diplomatic missions abroad. These diplomatic missions are located in different countries: (1) Canberra, Australia; (2) Brussels, Belgium; (3) Brasilia, Brazil; (4) Beijing, China; (5) Addis Ababa, Ethiopia; (6) New Delhi, India; (7) Tokyo, Japan; (8) Nairobi, Kenya; (9) Kuwait City, Kuwait; (10) Maputo, Mozambique; (11) Windhoek, Namibia; (12) Abuja, Nigeria; (13) Johannesburg, South Africa; (14) Pretoria, South Africa; (15) Stockholm, Sweden; (16) Geneva, Switzerland; (17) London, United Kingdom;

(18) New York, United States of America; (19) Washington DC, United States of America; (20) Lusaka, Zambia; and (21) Harare, Zimbabwe.

The sample group comprised of 90 respondents (n = 90) representing 27 respondents from the Ministry headquarters and 63 from diplomatic missions. The respondents were selected using purposive sampling which refers to a sampling method in which the selection of respondents is intentional or judgemental rather than random (Morgan and Sklar 2012:73). Responses were obtained from 49 respondents, which imply that the response rate was 54%. The sample included staff from senior, middle and junior management to ensure comprehensiveness and representativeness and to obtain multiple perspectives on the studied phenomenon.

Data collection instruments

This study utilised four data collection instruments, namely a literature review, document analysis, self-administered questionnaires and follow-up personal interviews. Questionnaires and follow-up personal interviews were used to collect primary data. Firstly, the researcher collected primary data using questionnaires. 90 questionnaires were distributed to staff representing all three levels of management to ensure comprehensiveness and representativeness of the sample. Thereafter three follow-up personal interviews were conducted with individuals with a thorough understanding of performance management to clarify certain data or issues that were unclear or lacked clear-cut answers from the questionnaire responses. Only three personal interviews were conducted because most of the research questions were adequately answered through the questionnaires. A sample of three to six participants is considered adequate for qualitative research (Morgan and Sklar 2012:74). The literature review and document analysis were used to collect secondary data and to validate the data obtained through questionnaires and personal interviews. Document analysis is a qualitative data collection method that involves analysing and interpreting documents into themes and patterns similar to questionnaire and interview transcripts (Neuman 2006:44; Bhattacharjee 2012:115).

Pilot testing

The questionnaire was piloted at the Botswana diplomatic missions in Johannesburg and Pretoria in South Africa and the Department of Protocol and Consular Services at the Ministry headquarters in Gaborone, Botswana, mainly to determine if the questionnaire instructions and layout and question wording and ordering were appropriate. It was also scrutinised by three practitioners who have extensive knowledge of the performance management

system of the Botswana public service from the National Strategy Office, and the Public Service Reforms Unit. One of the improvements that emanated from the pilot study was the suggestion to develop a questionnaire for each level of management.

Data analysis

De Vos and Fouché (1998:203) defined data analysis as the categorising, ordering, manipulating and summarising of data to provide answers to research questions. It entails three steps, namely data reduction, display and verification. According to these authors, data reduction involves reducing data “to an intelligible and interpretable form so that the relations of research problems can be studied, tested and conclusions drawn.” As already stated, the response rate for this study was 54%. A response rate of 50% is considered as adequate for data analysis and reporting, 60% as good and 70% as excellent (Babbie and Mouton 2001:261).

Data verification refers to checking the accuracy or reliability and validity of data collected (Babbie and Mouton 2001:290). Data collected from questionnaires and interviews was compared with data obtained from the literature review, document analysis and from government official records such as national development plans; organisation and methods review reports; and consultancy studies.

Ethical considerations

Permission to conduct this study and collect data was granted by the Permanent Secretary of the Ministry of Foreign Affairs and International Cooperation. Ethics clearance was sought from the Research Ethics Committee of the Department of Public Administration and Management of the University of South Africa and was granted. The respondents who participated in this study completed informed consent forms which outlined their rights such as the right to participate or non-participation in the study, and the right to withdraw from it at any time without any harm or risks to them.

Storing and disposing of data

All data and information will be stored in a high security safe in the Principal Researcher’s office and this safe will only be accessible to him. Data stored on the researcher’s computer is protected by password. Data and information will be destroyed when it is no longer of functional value. This is projected to be five years from the date of publication of this study. Records stored on a computer hard drive will be erased using commercial software designed to

remove all data from the storage device. The universal serial bus (USB) drive will be physically destroyed. A record, stating what records were destroyed, when and how the researcher did so, will also be kept.

FINDINGS AND INTERPRETATIONS

The findings and interpretations are discussed using the eight dimensions of the model of social programmes, namely programme goals and objectives; target group; outcome measures; programme components; programme infrastructure; human resource base; programme stakeholders; and programme context.

Dimension 1: Programme goals and objectives

The first dimension is programme goals and objectives. Armstrong and Baron (1998:155) defined an objective as a task to be accomplished by a given date or period. To successfully implement the performance management system, it is essential that objectives are clearly defined and understood (Hacker and Washington 2004:53). Clarity of foreign policy goals and objectives is considered as one of the success factors of the implementation of the performance management system in the ministries of foreign affairs (Rana 2011:15). Good and effective goals and objectives are applied to the following acronym: SMART which stands for **S**pecific, **M**easurable, **A**greed, **R**ealistic, and **T**ime-bound (De Waal 2007:78). The majority of the respondents (29 = 59.2%) stated that the foreign policy goals and objectives did not meet the SMART checklist. This was attributed to the difficulty to define and develop appropriate performance measures for diplomatic work, and the difficulty to achieve the performance outputs and outcomes within an annual performance plan. The following two prominent responses from respondents demonstrate this lack of synchronisation between the goals and objectives and the SMART checklist:

- “The nature of the Ministry’s work is such that measurement is not always possible, at least within the time periods stipulated.”
- “The timeframe of measuring success is not the conventional one. You have to observe over a longer period of time.”

These findings support the observation by Rana (2011:185) that the dictum “if it cannot be measured, it should not be done” is irrelevant to ministries of foreign affairs because the bulk of diplomatic work is unquantifiable. Historical records showed that the Ministry started to systemically define and document foreign policy goals and objectives in February 1987. Previously, there was no record of foreign policy goals and objectives, and general awareness, knowledge and

clarity of foreign policy goals and objectives was generally blurred (Republic of Botswana 1994:16).

Dimension 2: Target group

The second dimension of the model of social programmes is the target group. In the public service, the target group for the performance management system are public servants (Armstrong and Baron 1998:362). 43 (87.8%) respondents stated that the Ministry's performance management system targeted all categories of staff. Dzimbiri (2008:53) confirmed that the performance management system of the Botswana public service targets all categories of staff. This finding supports the observation by Armstrong and Baron (1998:362) that new versions of the programme target all categories of staff unlike the old versions that targeted only managers or professional and technical staff.

To successfully implement the performance management system, the target group should embrace the programme (Dzimbiri 2008:53). Overall most of the respondents (38 = 77.6%) indicated that the implementation of the programme in the Ministry was not welcomed enthusiastically. They attributed the reluctance to implement the programme to the use of cascading approach, inadequate knowledge and understanding of the programme and its benefits and widespread feeling that it was ill-suited. The following account from respondents illustrates this lack of enthusiasm:

There was no sense of ownership due to the use of top-down approach.... Officers in leadership and management positions appeared to have understood and appreciated reasons behind the introduction of the performance management system. However, most officers below management level were not taken on board when the performance management system was introduced, hence some of them do not understand its benefits...Some officers felt there was no benefit from implementing the programme. It was not clear how the programme was an improvement to business as usual....There was a feeling that the programme would not work for the Ministry...Change makes people uncomfortable, especially when sanctions are involved.

These findings substantiate the conclusion by Rana (2011:350) that the Ministries of Foreign Affairs of Botswana, India and Kenya were pushed into implementing the programme. Similarly, Dzimbiri (2008:53) confirmed that there was reluctance to implement the programme in the Botswana public service due to entrenched paradigms, mindsets and work ethics; reform fatigue; inadequate understanding; anxiety and resistance to change.

Dimension 3: Outcome measures

The third dimension of the model of social programmes is explicit outcome measures which emphasises that programme goals and objectives should be quantified into measurable outcomes. Globally, public services use different performance measurement systems such as total quality management and the balanced scorecard to measure institutional performance (Commonwealth Secretariat 2010:5). The balanced scorecard was introduced in the Botswana public service in 2005 to assist with strategic planning, performance measurement and reporting. The findings (38 = 77.6%) indicated that the Ministry is indeed using the balanced scorecard as a performance measurement instrument.

Generally, the balanced scorecard is not easily transferable to the public service as it was originally designed for the private sector and it is still a relatively new management tool in developing countries (De Waal 2007:70). The findings (26 = 53.1%) revealed that the balanced scorecard used in the Ministry was complex and technical. Respondents attributed its complexity to lack of customisation; qualitative nature of diplomatic work which makes it difficult to develop quantifiable performance measures, targets, and standards; cascading by novices and inadequate training. This is evident in qualitative responses such as the following:

A new performance measurement system such as the balanced scorecard required a qualified expert in the field to cascade it to the rest of the Ministry staff. The Ministry should have at least nominated one person from each department to go for extensive training on the system....Actually in all the seminars, performance measurements are given minimal attention.... The qualitative nature of the Ministry's work makes it difficult to develop quantitative measures and targets for most performance objectives.

These findings corroborate the conclusion by Rana (2011:172) that ministries of foreign affairs often encountered challenges to adapt performance measurement systems to their specific contexts. In sum, it is evident that the outcome measure dimension is problematic because of the underlying complexities of the diplomatic work environment.

Dimension 4: Programme components

The fourth dimension of the model of social programmes is programme components. These refer to resources or inputs and activities required to successfully implement the social intervention programme such as human and financial resources; time; and effort. The implementation of a performance

management system requires considerable time, sustained efforts, resources and effective leadership over extended periods (De Waal and Counet 2009:368). The majority of respondents (65.3% and above) indicated that the time, financial and human resources allocated for the implementation of the programme were inadequate. They stated that the roll-out of the programme was a challenge because of the geographical dispersion of the Ministry headquarters and diplomatic missions, costly expenses for organising workshops, travel, accommodation and subsistence, frequent change of management and shortage of financial and human resources. This is evident from the following explanation received from respondents:

Owing to the fact that the Ministry's offices and Missions are scattered or spread around the world, it was logistically difficult for the leadership to make adequate time to cover all within a short period. Human resources were initially a challenge in that one Performance Improvement Coordinator could not sufficiently cover all Missions, more especially with all the travelling involved; workshops on the programme in all parts of the world; time difference. Unlike other government ministries, excursions or seminars proved more expensive since they involved continental or inter-continental travel; accommodation and subsistence expenses as well...The Ministry has experienced frequent changes in leadership in the past six or so years. Frequent change of leadership does not augur well for the Ministry because instead of moving forward the Ministry was always moving backwards since the different leadership had different views on the implementation of the performance management system.

The performance management system of the Botswana Public Service had a five-year implementation plan which started in July 1999 and ended on 31 March 2004. However, its implementation was rushed in 2003/2004 to comply with the presidential directive deadline of 31 March 2004. Consequently, government ministries and independent departments had inadequate time to teach, assimilate and internalise performance management system concepts (Institute of Development Management Consortium 2006:10). Moreover, the approved performance management system budget for the Botswana public service which amounted to 27 million pula, an equivalent to 5.5 million United States of America dollars, was inadequate to complete the programme design and to provide implementation support (Bashe and Jongman 2006:24; Dzimbiri 2008:54).

Specifically, management's time, effort and attention were distracted by the computerisation of the Ministry headquarters and implementation of the Computerised Missions Accounting System at diplomatic missions from 1997

to 2000/2001 and organisational reviews and restructuring of the Ministry in 1998/99, 2007 and 2009 (Dogra 2009:2). To summarise, the analyses clearly reflect that the implementation of the programme in the Ministry was affected by factors such as rushed implementation, frequent change of management, restructuring and inadequate financial and human resources.

Dimension 5: Programme infrastructure

The fifth dimension of the model of social programmes is the programme infrastructure. This dimension is ideal for performance management because it includes critical components such as a vision, mission and values; and performance appraisal; performance contract; performance based budgeting; performance reporting; monitoring and evaluation; and recognition and reward systems (Dzimhiri 2008:55). The findings (49 = 100%) showed that the Ministry has a vision, mission and value statements. The majority of the respondents (42 = 85.7%) stated that the Ministry used the performance agreement system and the performance based reward system as performance appraisal systems as well as recognition and reward systems. Additionally, nine (81.8%) respondents in senior management indicated that the performance agreement system was also used as the performance contract system. 41 (83.7%) respondents stated that the Ministry lacked a performance based budgeting system, whilst 39 (79.6%) specified that the Ministry used the balanced scorecard as a performance reporting system and 27 (55.1%) indicated that the Ministry has monitoring and evaluation systems.

37 (75.5%) respondents stated that the existing supporting systems were ineffective because they were designed as parallel systems with conflicting purposes, lacked customisation and were implemented piecemeal. 36 (73.5%) respondents indicated that these systems were implemented using cascading approach which is prone to problems of lack of buy-in and ownership because it often entrenches command and control, stifles creativity and innovation and excludes the views of end-users (Hope and Player 2012:ix).

Document analyses revealed that the first generation vision, mission and value statements; strategic plans; annual performance plans; performance agreements and performance and development plans were poorly formulated and implemented. This was attributed to poor strategic planning, shortage of strategy skills; lack of well-defined strategic objectives with appropriate measures and targets; misalignment of individual objectives with ministerial and departmental annual performance plans, strategic plans, national development plans and budgets; the difficulty of cascading strategic objectives to lower levels of staff and limited stakeholder participation (Nyamunga 2006:7; Washington and Hacker 2009:15).

The performance agreement system for executive officers and the performance based reward system for non-executive officers were introduced on 1 April 2004 (Bashe and Jongman 2006: 27). These appraisal systems have not totally eliminated subjectivity in performance evaluations because of assessment of personal attributes (Institute of Development Management Consortium 2006:33). Overall, the findings show that the recognition and reward systems used by the Ministry were inadequate because of limited promotion opportunities, low salaries and Foreign Service Allowances (Dogra 2009:3). The performance contract, integrated results based budgeting, performance reporting, and monitoring and evaluation systems used by the Ministry are still at infancy stage (Nyamunga 2006:19; Rana 2011:182). Finally, the implementation of these systems concurrently or in rapid succession created reform fatigue and confusion in the Botswana Public Service (Washington and Hacker 2009:7).

Dimension 6: The human resource base

The sixth dimension of the model of social programmes is the human resource base which refers to the people who are responsible for implementing and managing the social intervention programme. It is important that the programme implementers and managers have the necessary experience, expertise and competencies to implement and manage the programme (Dzimhiri 2008: 48). The Ministry of Foreign Affairs and International Co-operation has only one Ministry Performance Improvement Co-ordinator, seven Department Performance Improvement Coordinators and twenty-one Mission Performance Improvement Coordinators. 39 (79.6%) respondents indicated that these officers were somewhat competent to perform their roles, while seven (14.3%) stated that they were not well-trained and skilled, and three (6.1%) said they were well-trained and skilled.

Performance Improvement Co-ordinators were first appointed in the Botswana Public Service in 1999 (Institute of Development Management Consortium 2006:41). Document analyses further disclosed that the Ministry Performance Improvement Coordinator provided inadequate support in strategic management functions such as strategic planning, balanced scorecard, performance appraisal and business process re-engineering (Republic of Botswana 2009:34).

At the time when the performance management system was implemented, the Botswana public service and local management consultants who were contracted lacked the expertise to implement it. The literature lends credence to the view that staff of the Public Service Reforms Unit, which was established in 1998 to spearhead the implementation of the programme, was entirely

inexperienced and understaffed to provide professional support to Performance Improvement Co-ordinators (Dzimhiri 2008:54). Similarly, the Botswana National Productivity Centre which was awarded a five-year contract to roll-out the programme in the Botswana public service was amateurish. Against this background, external management consultants from the American consultancy group called The Performance Centre were engaged to assist with the roll-out of the programme (Institute of Development Management Consortium 2006:72). Performance Improvement Coordinators and executive officers were sent to institutions in the United States of America for training in Change Agent Training and Leadership Strategies (CATALYST), Focused Leadership Experience (FLEX), Creating Alignment for Maximum Performance (CAMP), and Transformational Coaching Certification Programme. The purpose of these training interventions was to change attitudes, introduce benchmarking and to develop the requisite skills to manage the programme (Washington and Hacker 2009:11).

Furthermore, the findings provided some valuable insights into the effectiveness of institutional structures facilitating the implementation of the programme such as Ministerial and Departmental Performance Improvement Committees. The findings showed that 31 (88.6%) respondents felt that these committees worked only occasionally, while four (11.4%) stated that they were effective. It is noteworthy that the Department and Mission Performance Improvement Coordinators were often unable to devote their time and efforts to these committees because they have their normal jobs to perform and additional performance management responsibilities create a burden on them.

Dimension 7: Programme stakeholders

The seventh dimension of the model of social programmes is the programme stakeholders. This dimension stresses the importance of involving key programme stakeholders such as sponsors of the programme, staff members, trade unions, political leaders and the general public during the conceptualisation, design and implementation of a social intervention programme such as a performance management system (Armstrong and Baron 1998:379; Babbie and Mouton 2001: 344). 34 (69.4%) respondents revealed that they were consulted during the implementation phase through staff meetings, performance management workshops and seminars, retreats, strategy development and review meetings.

27 (55.1%) respondents stated that trade unions and political leaders were consulted by the employer (Directorate of Public Service Management). The then two major public service trade unions, namely Botswana Civil Servants Association and Manual Workers Union were consulted through the National Joint Industrial Coordinating Committee, which was a consultative forum between the trade unions and the employer (Institute of Development Management Consortium

2006:59). Political leaders were consulted through performance management workshops and seminars that targeted the Botswana Cabinet and members of Parliament (Dzimbiri 2008:49). The general public was consulted through radio phone-in programmes such as “Talking Heads” and “*Tokafatso Maduo*” (which literally means improving performance results) and commemorative events such as Public Service Convention and Productivity Week (Nyamunga 2006:15–16).

Dimension 8: Programme context

The eighth and last dimension of the model of social programmes is the programme context. Institutional factors such as centralised or decentralised management authority, management style and institutional culture may affect the implementation of the performance management system (Armstrong and Baron 1998:358). 29 (59.2%) respondents indicated that the Ministry has centralised management authority. The literature showed that management functions related to finances, procurement and supplies, project planning and human resources were centralised by the Ministry of Finance and Development Planning; Public Procurement and Asset Disposal Board; and Directorate of Public Service Management. It often takes an average of three months to get approval or service from these institutions because of capacity constraints and poor work processes (Botswana Institute for Development Policy Analysis and United Nations Economic Commission for Africa 2006:176).

31 (63.3%) respondents were of the opinion that the Ministry headquarters and diplomatic missions promoted a democratic management style through the formation of committees such as Visa; Procurement; and Corruption Prevention to promote participative leadership and to ensure that decision-making processes were transparent and key decisions were not made by an individual to curb corruption and abuse of office. Further, 26 (53.1%) respondents were of the view that the performance management culture was new in the Ministry and still has to be instilled. According to the Institute of Development Management Consortium (2006:34), Botswana Public Service managers were often reluctant to confront supervisees openly about performance issues out of fear that they would be viewed as harsh and unfair, and thus becoming unpopular. 36 (73.5%) respondents stated that the Ministry promoted a risk-averse culture due to the sensitivity of its responsibilities. There is often lack of delegation by some senior and experienced officers out of fear that any inappropriate decision made can have adverse consequences on the relations with co-operating partners (Republic of Botswana 1994:16–17).

The political and administrative systems may affect the implementation of the performance management system. Modern information and communications technology infrastructure is required to implement the programme (De Waal

and Counet 2009:369). 37 (75.5%) respondents indicated that the political and administrative systems were favourable because of the adequate support provided by the highest political and administrative leadership. It is notable that the decision to implement the performance management system in the Botswana public service was made by Permanent Secretaries in April 1997 and subsequently endorsed by the Botswana Cabinet in February 1999 (Dzimhiri 2008:49). Political stability, continuity, commitment and visionary leadership from both the political and administrative leadership ensured that the implementation of the programme did not lose momentum or waver (Nyamunga 2006:18).

28 (57.1%) respondents disclosed that the information and communications technology infrastructure used by the Ministry was unfavourable because it was old; poor connectivity to the Government Data Network; power disruptions; slow Internet access and low bandwidth which slows down communication between the Ministry headquarters and diplomatic missions. Recently, computerised systems were introduced to improve service delivery. In August 2011, the Border Control System and the Immigration and Citizenship System were introduced in diplomatic missions to issue machine readable passports, visas, residence and work permits. The Government Accounting and Budgeting System was introduced in 2013/2014 to replace the outdated accounting and budgeting system that was installed in the 1970s.

The last part of this article discusses the overall aim, findings and limitations of the study, recommendations and possible areas for future research.

CONCLUSION

The aim of this study was to uncover the perceptions of staff regarding the implementation of the performance management system in the Ministry of Foreign Affairs and International Co-operation between 1999 and 2014. The researcher focused on foreign policy goals and objectives; broad-based support and critical mass of champions of the programme; easiness of the performance measurement system used; time, efforts, financial and human resources allocated; supporting systems; institutional capacity; involvement of key stakeholders and information and communications technology infrastructure.

The overall findings revealed that the respondents were generally negative about the implementation of the programme in the Ministry. The findings showed that foreign policy goals and objectives did not meet the SMART checklist. Programme implementation lacked broad-based support and critical mass of champions. The Ministry encountered problems to adapt the balanced scorecard to its specific context. Inadequate time, financial and human resources were allocated for programme implementation. The existing supporting systems such

as monitoring and evaluation systems were ineffective. The Ministry lacked institutional capacity to implement the programme. Key stakeholders such as staff members and trade unions were consulted during the implementation phase. Finally, the Ministry had inadequate information and communications technology infrastructure to support service delivery.

The following limitations should be considered when interpreting the findings:

- Response bias may have occurred because of the low response rates for both junior and senior management which was 42.9% compared to the high response rate of 81% for middle management. However, the response rates of 42.9% exceeded the 15 to 20% which is common in surveys (Bhattacharjee 2012:81).
- Self-reporting bias may have occurred because this study was based on perceptions by respondents. Some respondents may have felt uncomfortable with giving true responses to an inside-researcher.
- Recall bias may have occurred because this research was undertaken after 14 years of implementation of the programme and some respondents may not have remembered everything that had happened in the past.
- Methodological weakness: This study was based on the experience of the Ministry of Foreign Affairs and International Cooperation, hence its findings cannot be generalised to other government ministries or other ministries of foreign affairs.

In light of the above findings, the following recommendations are proposed to improve the implementation of the programme in the Ministry of Foreign Affairs and International Co-operation:

- The Ministry's objectives should be clearly defined and formulated in consultation with the diplomatic missions, relevant government ministries and independent departments because they are overarching of all government policies.
- The Ministry and diplomatic missions should allocate sufficient time for formulation of strategic plans; annual performance plans; performance agreements; and performance and development plans.
- The Ministry should create a critical mass of champions of the performance management system among its staff. This may be done by holding Directors, Ambassadors and High Commissioners accountable for its effective implementation.
- The Ministry should strengthen accountability and responsibility mechanisms to make the implementation of the programme the responsibility of all employees rather than of the Performance Improvement Coordinators only.
- The Ministry should establish an Institute to train its cadre and appoint Performance Improvement Coordinators based on merit and demonstrated competence to entrench meritocracy.

- The Ministry should strengthen institutional structures that facilitate effective implementation of the programme such as Ministerial and Departmental Performance Improvement Committees by ensuring that these committees meet regularly and produce minutes.
- The Ministry should upgrade its information and communications technology infrastructure to facilitate the usage of computerised systems, web-based technology solutions and electronic government.

Since this was a pioneering study, future research is needed to assess the entire effect of the programme on the quality of service delivery in the Ministry. A comparative study is also required to identify the common challenges experienced in implementing the programme in ministries of foreign affairs. This is an applied social research study that addresses the practical and theoretical issues of performance management which is of critical importance and interest to the Botswana Public Service because of the need to improve public service delivery.

NOTE

- 1 This article is based on the doctoral manuscript of Mr E. Sisa entitled *Implementation of the performance management system in the Ministry of Foreign Affairs and International Co-operation of the Botswana public service* submitted in accordance with the requirements for the degree of Doctor of Public Administration at the University of South Africa.

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