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# Contents

|                                                                                                         |            |
|---------------------------------------------------------------------------------------------------------|------------|
| <b>Editorial</b>                                                                                        | <b>iii</b> |
| <i>D Nel-Sanders</i>                                                                                    |            |
| <b>City Resilience, Pandemics and Food Security</b>                                                     | <b>1</b>   |
| The Critical Nexus                                                                                      |            |
| <i>G van der Waldt</i>                                                                                  |            |
| <b>The Professionalisation of the South African Public Sector</b>                                       | <b>24</b>  |
| Challenges and Opportunities                                                                            |            |
| <i>D B Jarbandhan</i>                                                                                   |            |
| <b>An Exploration of the Impact of Inadequate Housing on Health in South Africa</b>                     | <b>52</b>  |
| <i>N K Marutlulle</i>                                                                                   |            |
| <b>POST GRADUATE FORUM</b>                                                                              |            |
| <b>Critical Considerations for Effective Discipline Management in the Public Sector</b>                 | <b>71</b>  |
| <i>K M Shabangu, S B Kahn and X C Thani</i>                                                             |            |
| <b>The Impact of Illegal Foreign Nationals on Senqu Local Municipality in the Eastern Cape Province</b> | <b>96</b>  |
| <i>L M Mtsamayi and T van Niekerk</i>                                                                   |            |
| <b>Implementation of Local Government Strategies in Zimbabwe</b>                                        | <b>120</b> |
| <i>T Mutandwa and C J Hendriks</i>                                                                      |            |
| <b>Local Financial Governance and Accountability Through Audit Committees in Local Government</b>       | <b>142</b> |
| A Normative Framework for Self-evaluation of Audit Committees                                           |            |
| <i>H B Krishnan and M Subban</i>                                                                        |            |

|                                                                                                                                                                                   |            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Analysing Budget Management in the Public Healthcare Services Delivery Sector</b><br>A Case of District Hospitals in Malawi<br><i>R Hanif and W S Musvoto</i>                  | <b>165</b> |
| <b>Public Sanitation Challenges in South African Local Government</b><br><i>R P Motsoeneng</i>                                                                                    | <b>186</b> |
| <b>Towards Developing a Conceptual Model Underpinning Public Value Management</b><br>Critical Considerations Concerning the Public Sector<br><i>T J Raleting and T I Nzimakwe</i> | <b>208</b> |
| <b>E-procurement as a Monitoring Tool to Combat Corruption in South Africa</b><br><i>M Molepo and M I Jahed</i>                                                                   | <b>232</b> |

# Editorial

D Nel-Sanders

Chief Editor

Shocks and stresses such as the recent Covid-19 pandemic, are difficult to predict. Moreover, they reveal the vulnerabilities of cities, especially in the domain of food security. In the article, **'City Resilience, Pandemics and Food Security: The Critical Nexus'**, G van der Waldt explores the nexus between city resilience and food security during times of shocks and stresses, to uncover applicable lessons from cities around the globe in terms of their response to the pandemic. The author argues that, in a resilient urban food system, communities have reliable access to adequate, nutritious and affordable food. Furthermore, the author states that, "to establish a more resilient food system, cities must create an enabling environment where food can be produced, processed and sold locally, while retaining access to national and international sources".

According to Van der Waldt, by following this approach, food supply chains can be shortened, simplified and become more accessible. Covid-19 should be considered a wake-up call for cities to build resilience proactively, especially regarding food security. "Cities should avoid treating the pandemic as a once-of, stand-alone crisis. Instead, city administration should acknowledge the vulnerabilities and risks within the larger national food system," states Van der Waldt. A growing food demand, combined with unsustainable production practices, and the effects of climate change, is bound to increase the burden on cities. The author proposes a holistic and coordinated approach in the face of future unpredictable environmental shocks and stresses, where localised food production such as urban farming should be promoted. "Such an approach would imply supplementing existing food supplies by promoting local food production as well as planning shorter and creating more diverse supply chains," concludes the author.

D B Jarbandhan, in his article **'The Professionalisation of the South African Public Sector: Challenges and Opportunities'** addresses public sector professionalism that is closely linked to a merit-based public sector system to serve the citizenry according to professional competence and merit, rather than on narrow unethical personal and political interests. According to the author, "More than 25 years into democracy, the South African public sector finds itself trapped in widespread corruption and malfeasance". Current trends indicate a poor level of public trust across the South African public sector, which has prompted the call to professionalise the public sector. The author examines this transition of the South

African public sector from its establishment in the early years of democracy to the current challenges and opportunities to professionalise the public sector.

In his article **'An Exploration of the Impact of Inadequate Housing on Health in South Africa'**, N K Marutlulle explores the link between inadequate housing and people's health in general. The article distinguishes between housing, in general, with specific reference to adequate and inadequate housing and reviews policies pertaining to housing and health, particularly in South Africa. The article argues that poor-quality and inadequate housing contribute to a variety of health problems. Based on the findings, the author recommends that housing must be viewed as a major entry point for intersectoral public health programmes and primary prevention. As such, the author calls for a renewed attempt to improve housing conditions.

In their article **'Critical Considerations for Effective Discipline Management in the Public Sector'**, K M Shabangu, S B Kahn and X C Thani argue that the public service takes too long to finalise disciplinary cases, despite measures in place to ensure that these matters are concluded within a period of three months. According to the authors, "Disciplinary principles play a critical role in management by ensuring objectivity, consistency, uniformity, and adherence to the rules". In this article, the documentary analysis is underpinned by the Disciplinary Code and Procedures of the Department of Public Service and Administration and the Code of Good Practice of the Labour Relations Act 66 of 1995. Both these documents require departments to develop disciplinary codes which outline the procedures and processes for disciplinary action.

Despite these codes and procedures, the research pointed to non-compliance with the disciplinary frameworks in finalising disciplinary cases within the prescribed time frame. As a solution, the article provides clarifications of appropriate practices, principles, measures, forms and other crucial considerations for effective discipline management. In conclusion, the article outlines important aspects concerning discipline management and concludes that effective discipline management is defined by the organisational culture and other influential factors.

In their article, **'The Impact of Illegal Foreign Nationals on Senqu Local Municipality in the Eastern Cape Province'**, L M Mtsamayi and T van Niekerk examine the perceived effect of the influx of illegal foreign nationals (undocumented immigrants) on the socio-economic environment and provision of basic service delivery. Specific reference is made to the Senqu Local Municipal area of the Eastern Cape Province. The empirical findings of the study revealed that the continued influx of illegal foreign nationals in the Senqu Local Municipal area had compounded serious challenges in the provision of selected socio-economic conditions. Specific areas that were affected negatively include health services, employment, and job creation opportunities to local communities through local economic development (LED), as well as the provision of basic service delivery,

such as electricity, water, sanitation, and housing. In conclusion, the article provides recommendations to address the challenges posed by illegal foreign nationals in the Senqu Local Municipal area.

According to T Mutandwa and C J Hendriks, in their article, **‘Implementation of Local Government Strategies in Zimbabwe’**, local authorities in Zimbabwe face severe service delivery challenges such as inadequate potable water, healthcare, education, roads, and sanitation. “Although local authorities annually develop strategic plans”, state the authors, “there is no indication that this influences the improvement of service delivery”. The authors argue that a failure to implement formulated strategic plans effectively is the major reason for failing to meet residents’ service delivery expectations. In line with this, the authors explore the barriers preventing Zimbabwean local authorities in the Mashonaland West Province from implementing their adopted strategic plans and the measures that can be taken to overcome these barriers.

The research findings reveal that change management, institutional culture, institutional structure, and leadership are the main barriers to strategy implementation experienced by local authorities in Mashonaland West Province. In line with this, the authors suggest that, “Local authorities should improve communication, involve employees and other stakeholders in strategy formulation, make better use of technology, provide leadership, and establish clear lines of authority between officials and elected political office bearers”.

In their article, **‘Local Financial Governance and Accountability Through Audit Committees in Local Government: A Normative Framework for Self-evaluation of Audit Committees’**, H B Krishnan and M Subban address critical aspects necessary to underpin a normative financial governance framework to promote the effective operation of audit committees. The authors also identify the elements necessary for a self-evaluation framework for audit committees. The article developed a model for enhanced financial governance to address the roles, responsibilities, functions and activities of audit committees, good financial governance compliance practices and the gaps in local financial governance concerning the effectiveness of audit committees. The authors highlighted certain areas needing improvement within the audit committee system to ensure good and effective financial governance, and ultimately to improve the ability of local government to deliver on its mandate and ensure service delivery to citizens.

In their article **‘Analysing Budget Management in the Public Healthcare Services Delivery Sector: A Case of District Hospitals in Malawi’**, R Hanif and W S Musvoto explore budget management in the public healthcare services delivery sector in the district hospitals of Malawi. According to the authors, “The government of Malawi continues to allocate finances to support public healthcare services delivery; however, quality of services delivery remains poor due to *inter alia*, poor budget management practices”. To support this argument, the article

provides empirical evidence that explains existing budget management gaps in the public healthcare sector in Malawi. Furthermore, it establishes a basis for recommendations to the government on the need to improve budget management practices. The article found that budgeting in the public healthcare delivery sector in Malawi is flawed and lacking. As such, the authors argue that “the sector fails to achieve its public health services delivery goals”. The article also reveals that budget management in the district hospitals lacks flexibility, faces limited government funding allocations, encounters late government funding, has a weak funding allocations formula, and experiences ineffective budget evaluations.

Due to vast water supply and sanitation infrastructure backlogs, South Africa, like many developing countries, faces significant challenges in providing a sustainable water supply and sanitation services to its citizens. In his article, **‘Public Sanitation Challenges in South African Local Government’**, R P Motsoeneng focuses on managing sanitation resources and provides several sanitation services challenges facing municipalities. According to the author, key areas of concern include revenue, human resource capacity, municipal infrastructure investment, maintenance and operational infrastructure, planning and the performance of wastewater treatment works challenges. The article found that poor governance, lack of administrative and technical capacity, poor financial management, poor coordination and accountability appear to be at the centre of addressing these problems in water and sanitation management within municipalities.

The public sector in South Africa is expected to have, at minimum, prescribed values within its operations to maintain a predefined and uniform behaviour within its systems. Public value management instils individual values into public sector organisational entities to help realise the expected benefits of promoting public sector values. Despite its benefits, there remain many challenges relating to upholding these values. To this end, in their article **‘Towards Developing a Conceptual Model Underpinning Public Value Management: Critical Considerations Concerning the Public Sector’**, T J Raleting and T I Nzimakwe discuss public value management, the systemic failure of public sector values, as well as instilling values and managing conflicting values.

The article presents various challenges involved in public sector values as well as debates associated with value classification. The authors revealed several causes for the failure of value applications. This includes a lack of adequate knowledge of public sector values, value conflicts, incentives for non-value behaviour, integration challenges and diversity. The article proposes a conceptual framework for public sector values as well as a model for public value management. Training, value-based performance assessments and value-based leadership were some of the recommended strategies to introduce values into public sector organisations.

The emergence of the internet has inspired many governments across the world, including South Africa, to adopt e-procurement to improve procurement

processes and eliminate corruption. In **'E-procurement as a Monitoring Tool to Combat Corruption in South Africa'**, M Molepo and M I Jahed, explore the use of e-procurement as a tool to combat corruption in South Africa. According to the authors, "The South African paper-based procurement is ineffective, resulting in high procurement-related corruption cases". A qualitative study approach was employed to investigate the use of e-procurement as a tool to combat corruption in public institutions. As part of qualitative research, case studies were used to further explore e-procurement in Korea, Malaysia, Italy, and Georgia. The article revealed that the South African e-procurement system is currently at an infant stage and the traditional paper-based procurement is still dominant. In line with this, the authors argue that the country's e-procurement systems, the Central Supplier Database and e-Tender Publication Portal, have the potential to reduce corruption provided they are improved and fully operationalised.

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# City Resilience, Pandemics and Food Security

## The Critical Nexus

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### ABSTRACT

Shocks and stresses such as the recent Covid-19 pandemic reveal the vulnerabilities of cities, especially in the domain of food security. In a resilient urban food system, communities have reliable access to adequate, nutritious and affordable food. It is evident that to establish a more resilient food system, cities must create an enabling environment where food can be produced, processed and sold locally, while retaining access to national and international sources. Following this approach, food supply chains can be shortened, simplified and become more accessible. Vulnerable urban communities in developing countries such as South Africa, should be encouraged to enhance their personal resilience for food security. Various aspects of the food system fall outside the legal jurisdiction of cities. However, city administrations can pursue key interventions to build more resilient urban communities. The purpose of this article is to explore the nexus between city resilience and food security during times of shocks and stresses and to uncover applicable lessons from cities around the world in their response to the pandemic.

### INTRODUCTION

A country's food system and its cities are intertwined. This intersection strongly impacts the way such urban areas build resilience against external shocks and stresses that may disrupt existing food systems. In this regard, cities are characterised by their density in population, thereby functioning as hubs of economic activity and concentrated transport systems. Thus, urban areas can be considered "hot spots" for the spread of pandemics. In addition, cities are overrun by

challenges due to rapid urbanisation. Examples are: restricted access to clean water and inadequate sanitation for a growing populace. Cities must also provide sufficient housing and adequate healthcare services. Amid these challenges, city councils still must render essential services to vulnerable communities such as the poor, elderly and children.

Urban communities consume significant quantities of food, which are produced mainly in rural and peripheral areas. Produce and livestock from these outlying areas must be distributed to city markets and abattoirs. Thus, cities' food security involves a complex weave of interlinked aspects such as production, distribution as well as availability of sustenance. Further factors, centring on food supply, are: access, safety, utilisation, and stability. Vulnerabilities and disruptions in this food supply chain may have life-threatening consequences and thus influence the cities' overall resilience severely. Generally, towns and rural communities are less vulnerable in having access to food supply. The reason is that these areas are in relatively closer proximity to the production of commercial agricultural enterprises and small-holding farming. Furthermore, outlying or peripheral areas are also more interconnected to rural agricultural activities and food-related economies.

The Covid-19 pandemic revealed cities' acute vulnerability to sudden disasters. The following assessments were made: United Nations' Policy Brief on the Impact of Covid-19 on Food Security and Nutrition (June 2020), the Centre for Strategic and International Studies' Think Tank Index (CSIS 2020), the Organisation for Economic Cooperation and Development's (OECD) Policy Responses to Coronavirus (June 2020), as well as the World Bank's policy brief on Food Security and Covid-19 (Aug 2020). These assessments confirm that especially during the first two stages of lockdown, access to adequate, nutritious food was constrained severely. The lockdown affected the flow of people and goods into and from cities. Such disruptions caused food shortages and placed the majority of urban populations at risk. In this regard, the lockdown also affected the supply chain used for the production, processing and distribution of food.

Experts have been raising serious concerns about the vulnerabilities of current food systems, especially from cities in developing countries. Problems have been pointed out by the United Nations' Food and Agriculture Organisation (FAO), the European Union's Unit on Urban Development, the World Health Organisation (WHO) and the World Economic Forum through its Global Risk Report. For example, the WHO, in its report, "Globalization and Infectious Diseases: A review of the linkages" (2020:40) cautions against rapid and unplanned urbanisation in developing countries, which place extreme strain on cities' basic services infrastructure and healthcare facilities. Therefore, it is estimated that at least 50% of the global population lives at the level of "extreme deprivation" (WHO 2020:40). The social consequences of the pandemic have proven that the mentioned concerns

are justified. It is evident that especially the local sphere of government, must find innovative and more pragmatic approaches, when responding to crises such as the pandemic; while taking steps to establish more sustainable and resilient food systems.

In this regard, a deeper understanding could be reached by thematically analysing the lessons learnt from cities' responses nationally and globally. Such an analysis will help authorities prepare in a more integrated and coordinated manner for similar events in future. It is crucial to analyse the factors constraining food security, in order to build cities' resilience and help them withstand similar shocks in future. The purpose of this article is to explore the nexus between city resilience and food security during times of crises such as pandemics. In this regard, the article uncovers applicable lessons from cities around the globe in their response to the Covid-19 pandemic. Innovative new trends are highlighted, for example, vertical urban farming, as possible ventures for cities in South Africa and in other developing countries to explore. Such projects will help these countries improve the overall food security of urban communities, thereby ensuring those cities' resilience in this regard.

## **CITY RESILIENCE AND FOOD SECURITY: A CONCEPTUAL AND CONTEXTUAL ORIENTATION**

Several operational frameworks focus on sustainable socio-economic development. The Sustainable Development Goals (2015–2030), Sendai Framework for Disaster Risk Reduction (2015–2030), and the United Nation's New Urban Agenda (Habitat 3) issued in 2016, all recognise cities' important role in such development. Cities are, however, hampered since their governing bodies face a growing range of challenges, from climate change, rapid urbanisation, inadequate infrastructure, cyber-attacks, to health risks such as pandemics. To establish and enhance the resilience of cities it is essential that local government's strategies, systems and structures adapt by preparing for expected as well as unexpected circumstances.

The United Nations Office of Disaster Risk Reduction (UNISDR 2015:2), defines resilience as "the ability of a system, community or society exposed to hazards to resist, absorb, accommodate to and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions". In the context of cities, the 100 Resilient Cities initiative of the Rockefeller Foundation (2016:2), views a resilient city as "the capacity of individuals, communities, institutions, businesses, and systems within a city to survive, adapt, and grow no matter what kinds of chronic stresses and acute shocks they experience". Resilient cities generally have the capacity to absorb, cope, adapt and transform (Bené *et al.* 2012:3; Parsons *et*

al. 2016:2). Therefore, interventions focusing on resilience should begin by assessing and building incrementally on existing capacities and capabilities of a city. The UNISDR (2015:3) proposes the following so-called “essentials”, which may help bolster cities’ resilience:

- Strengthen institutional capacity by establishing adequate organisational structures and strong leadership.
- Prepare risk assessments, early-warning systems, and update plans regularly to be prepared for and handle vulnerability.
- Strengthen financial capacity.
- Focus on resilient urban development and design.
- Enhance social cohesion and encourage community participation.
- Establish post-disaster strategies for recovery, rehabilitation and reconstruction.

These essentials illustrate the multidimensional and complex nature resilience holds for a city.

Regarding food security, resilience essentially describes the inherent capacities and abilities of individuals, groups, communities and institutions to withstand, cope, recover, adapt and transform when confronted by external shocks (Barthel and Isendahl 2013:225; De Zeeuw *et al.* 2011:155; Toe 2018:12). Scholars such as Chodur *et al.* (2018) concur that food security typically consists of three main components, namely availability, economic and physical accessibility, and stability. In other words, all people, always (stability) should enjoy the necessary social and economic resources (access), in order to benefit from safe, nutritional and sufficient food (availability). Households are considered food secure when they have “physical and economic access to sufficient and nutritious food that meets their dietary needs and food preferences for an active and healthy life” (WHO/FAO 2006:5). In addition to these components, food security is affected by related issues such as malnutrition, acceptability (e.g., food quality and cultural preferences) and wastage. These aspects are influenced by demographic and socio-economic conditions, ecological and environmental realities, as well as the availability of natural resources. Individuals in households and/or communities, which are food insecure, face more severe health risks. Due to diets with poor nutritional value, inhabitants’ immunity is lowered, making them vulnerable against diseases (Toe 2018:12).

Efforts to strengthen food resilience thus typically target those who are food insecure or at risk of becoming so. In most cases, food insecurity implies the following: individuals and groups living in extreme poverty or close to the poverty line, as well as those living in fragile environments where conflict, natural disasters, or other major events can disrupt food systems or may impede access to adequate and nutritious food. In this regard, Bené (2013) proposes that interventions by local government should follow an incremental path, working from individuals

and households, thereafter, on community level, and finally, focusing on systemic resilience involving extensive infrastructure.

Agricultural development and technological advancement made it possible to foster long-term food security. In spite of such improvements in food production, a significant proportion of the population in low-income countries is still lacking food security (Chen *et al.* 2019; Hossain *et al.* 2019; Van Dijk *et al.* 2020). Populations of approximately 1 billion from developing countries experience severe food insecurity, while a further 2 billion have limited access to food (FAO 2020). It is expected that by 2050, as many as 2.5 billion people will reside in more than 1 600 cities. In these areas it is projected that at least one of the major crops – wheat, maize, rice or soy – will decline by at least 10% (Bobe 2020:1141; C40 Cities 2019). Agricultural production will thus have to increase by approximately 50% to provide sufficient food for growing urban populations.

Food shortages also drive up costs. In developing countries, extremely poor households spend between 48% and 85% of their annual budget on food. Thus, when crop yields decline, urban communities usually suffer significant hardships (Ali *et al.* 2017:39). Furthermore, food scarcity may lead to major civil unrest and looting. According to the Global Report on Food Crises (2018), when the price of staple crops such as wheat, maize, and rice, increased substantially between 2007 and 2008, it sparked turbulent unrest in countries across Africa, South America and Asia.

To ensure growing cities have adequate food in the future, it is critical that city governments assess their long-term food security. South Africa is no exception in this regard. During 2017, according to StatsSA (2017), 6,8 million South Africans experienced hunger. At national level, the country is generally perceived as food secure (Koch 2011:2). However, at local government level approximately 1,7 million households, or 14% of the total population, a decade ago still lacked access to adequate food (HSRC 2004). StatsSA (2017) confirms that the levels of food security vary according to the size of the province, population group, and household. In 2017, Limpopo (93.6%) and Gauteng (84.0%), with the highest proportion of households, reported adequate food access, whereas North-West (64.0%) and Northern Cape (66.5%) showed the lowest proportions and can thus be considered as the least food-secure provinces in the country.

StatsSA (2020) reports that, currently, already 66.4% of the South African population reside in cities. Almost two-thirds of the households that are vulnerable to food shortages can be found in urban areas. Rapid urbanisation places noticeable burdens on city councils to provide essential services such as housing, water and electricity. Koch (2011:2) points out that South Africa is a net exporter of agricultural commodities and has a high per-capita income, even for an emerging economy. A further positive development is the national government adopting the Integrated Food Security Strategy (IFSS) in 2002. The

vision of the IFSS is “to attain universal physical, social and economic access to sufficient, safe and nutritious food by all South Africans at all times to meet their dietary and food preferences for an active and healthy life”. This vision is aligned closely with the definition of food security as proposed by the United Nations FAO (Koch 2011:6).

In contrast to the exposition above, research revealed “a disjuncture between the institutional response mechanism defined in South Africa’s strategy and the complexity of food insecurity nationally”. Furthermore, the successful implementation of the IFSS is constrained by a range of “structural and organisational challenges” (Drimie and Ruysenaar 2010:316). Thus, despite favourable indicators and South Africa’s perceived national food-secure status, approximately 14% of the population is estimated as prone to food insecurity. Moreover, 25% of children under the age of six are reckoned to have had their development stunted by malnutrition (HSRC 2004). These adverse conditions have placed ordinary South Africans, who already are struggling to meet basic household needs, in an increasingly vulnerable situation (Drimie and Ziervogel 2006; Gillespie and Drimie 2009; Labadarios 2009).

## **LEGAL OBLIGATIONS OF CITIES TO PROVIDE FOOD SECURITY**

From a legal-statutory perspective, it may be asked whether food security indeed is the obligation of a city (i.e. municipal responsibility). In other words, the question arises whether cities have a statutory mandate to establish resilience in their food provision. To answer this question, both international and national perspectives may provide insight. From an international vantage point, the United Nations Declaration of Human Rights (1948) regards the right to food as “universal”. This universal perspective is confirmed by the FAO, which defines the right to food as follows, “All people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life” (FAO 2005:6).

In line with the abovementioned universal right, Goal 11 (commonly known as “UrbanSDG”) of the Sustainable Development Goals promotes “safe, resilient and sustainable” cities, which include inhabitants’ access to food. In this regard, the United Nations Conferences on Human Settlements (Habitat I-III) and the World Bank Group focus strongly on food security. This view is shared by organisations such as the United Cities and Local Governments (UCLG), Local2030, the International Society of City and Regional Planners (ISOCARP), and Local Governments for Sustainability (ICLEI). These international bodies all promote the role of cities in sustainable development in general, and sustainable food supply

in particular. These obligations place responsible and far-sighted action by cities at the centre of food security.

The provision of municipal services in South Africa should be understood from within a complex contextual framework. Such a framework is informed by constitutional and local government law, the country's system of cooperative government, intergovernmental fiscal relations, as well as socio-economic realities and political dynamics. In a national context, the South African Constitution 1996, stipulates in section 27(1)(b) that all citizens have a right to access sufficient and nutritional food. Thus, the state has the obligation to deliver such services within the limitation of its available resources. This obligation is affirmed by Section 73 of the Local Government: Municipal Systems Act 32 of 2000 (as amended). The Act stipulates further that municipalities must give priority to the basic needs of the local community and ensure all its members have access to at least the minimum level of basic municipal services.

In light of the abovementioned Acts, various authors reflect on food security, typically considered the exclusive domain of national and provincial government. A plausible case can, however, be made for municipalities' significant role in this process (Bekink, 2006; Steytler and De Visser 2008; Malan and Van Rooyen 2010; Ruysenaar, 2010). De Visser (2019) points out that the national and provincial governments simply lack the geographical footprint that municipalities have. It is thus often not feasible for the two top tiers of government to provide an adequate food safety net for urban communities. De Visser (2019) focuses on the multidimensional nature of food security. Various local government competencies are directly and indirectly involved in realising the right of access to food through the local food trade, and availability of potable water and electricity. Section 156 of the Constitution and Section 84(3) of the Local Government: Municipal Structures Act 117 of 1998 not only empowers, but instructs municipalities to provide these services.

In the arena of local food trade, direct intersections become increasingly evident between food security and municipal obligations. The Constitution lists three local government competencies in this regard, namely trading regulations, markets, and trading. These three aspects are integral to food value chains. Cities can balance the role of large retailers and small food traders within local markets. Local government can also reduce the regulatory burden on food traders in low-income areas and informal settlements. As a result, cities, assessing the concerns on local level, generally provide for projects related to food security in their integrated development plans (IDPs) and local economic development (LED) strategies. These plans and strategies typically include promoting small business in the agricultural regions and collaborating with non-governmental and community-based organisations to help distribute healthy and nutritious sustenance among the communities. Furthermore, fresh produce markets can be regulated to

bring small-scale farmers and informal traders into contact with consumers. The New Growth Path in Tshwane's LED, for example, mentions food insecurity and the depth of human poverty in the region but focuses on promoting economic activities and coordinated corporate social investment (Steyn 2011). However, these actions are typically regarded as "special projects" or "community-based empowerment" (Steyn 2011:3), rather than systematised efforts of local, district and metropolitan municipalities to align themselves with the national policy frameworks that govern food security.

It may be argued that cities should make deliberate attempts to promote food resilience. In this way, significant progress can be made to ensure urban communities have access to nutritious food sources. Scholars such as Malan (2010) and Ruysenaar (2010), therefore reason that clearer policy guidelines should be established on municipalities' role in national food security. Although the IFSS (2002) provides a number of guidelines, apparently municipal policies are lacking that could steer councillors and practitioners to implement these guidelines. Steyn (2011:3) also argues that such guidance is necessary to eliminate unfunded mandates of municipalities. The IFSS is thus not adequately imbedded in municipal policies and planning frameworks. These scholars assert further that it is currently unclear which mechanisms should be used to promote urban food security. Apart from the IDP and LED as possible mechanisms, the indigent policies of municipalities generally promote the idea that cities should do more to enhance food resilience. Policies addressing indigence in general strengthen national government's programmes for poverty alleviation, social security and welfare; for example, the social grants administered by the Department of Social Development (DSD). It is thus evident that the statutory mandate of cities intersect closely with the legal obligations and policy frameworks that govern and regulate food security within the country.

## **ROLE OF CITIES IN SUSTAINABLE FOOD SECURITY PRACTICES**

Cities influence various aspects of food security. The role cities play in the praxis of increased sustainable food security thus deserves scholarly inquiry. Food systems consume approximately 25 to 30% of global energy. More than 70% occurs from the primary processing to the consumption stage. In the process, food systems produce over 20% of the total emissions from greenhouse gases globally (IEA 2019; Vourdoubas and Dubois 2016). It is also estimated that more than one-third of food production is "trashed" each year. Losses through wastage in terms of money and energy, respectively, amount to US\$940 billion and approximately 38% of energy consumed in the global food system (FAO 2014; Philippidis *et al.*

2019). Cities process large quantities of waste and could implement more environmentally friendly practices in this regard. Apart from the vast quantities of food that urban communities consume, cities furthermore have significant procurement powers that may influence consumer behaviour.

City councils can facilitate more efficient distribution, thereby reducing the carbon footprint of their food transports as well as guarantee improved and equalised access to produce. Councils may, for example, help establish markets for locally-produced food and oversee the allocation of urban land for such production. Various scholars concur that cities' food security is impacted by two main challenges, namely food diversity and transport (Despommier 2009; Faber and Wenhold 2007; Hoddinott and Yohannes 2002; Keats and Wiggins 2014).

Regarding the first major challenge, Svalbard in Norway hosts the Global Seed Vault that conserves approximately a million samples and genetic material of crop species from around the world. The Crop Trust's mandate is to safeguard the diversity of food. Currently, 61% of all calories are found in only three varieties of food, namely rice, wheat and maize. Humankind is thus extremely vulnerable to climate change, natural disasters, pests and drought, due to the limited essential food types (The Crop Trust 2019). Thus, there is an urgent need to cultivate more diverse produce that has a better chance to withstand climate fluctuations such as heat and drought. Regarding sources of protein, the over-utilisation of and reliance on cattle and sheep also demand diversification. According to the World Wildlife Fund (2016 in The Cattle Site), water used for livestock production is expected to rise by 50% in 2025. Currently, livestock usage accounts for 15% of all irrigated water, with the global average water footprint of beef being 15 400 litres per kilo.

Livestock is also a major contributor of greenhouse gases, equal to those produced by the globe's transport system (EPA 2019). Therefore, alternative protein produce is sourced from sea kelp and insects such as crickets, worms, grasshoppers, and maggots. Cities in the Netherlands, South America and Asia already produce insects on an industrial scale (Viviano 2017). In this regard, insects are converted to flour for baking. Typically, insects are regarded as a highly stable source of food that requires limited space, water and greenhouse gases to produce (Van Huis and Oonincx 2017:43). Dietary diversity is a key aspect of addressing malnutrition and boosting people's immune system, which is vital to combat health threats such as Covid-19.

The second major challenge is food transport. Extended global supply chains have left the entire food system vulnerable to disruptions such as the Covid-19 lockdowns. Such disruptions cause food insecurity and rising food prices. Over the last two to three decades, the amount of food transported to cities from rural areas has risen by 300% in India, 800% in Africa, and 1 000% in South-East Asia. Vegetables and fruit are often transported long distances for weeks in cargo ships and the fruit and vegetables have to ripen during transit. As a result, every second,

globally approximately 40 tons of food is wasted, rotting during transportation. This wastage translates to approximately a third of the global food production (Despommier 2009:83). The answer therefore lies in innovative alternatives such as equalised distribution and less movement of food by air, rail, and road, thus reducing greenhouse gas emissions.

Certain cities are particularly susceptible to supply problems. The reason is the insufficient diversification of value chains and supply channels, which leave the cities strongly or exclusively dependent on food imports. In addition, the over-extended, complex supply chains are perennially vulnerable to sudden shocks, whether due to social, political, economic or natural events. These problems are also exacerbated in cities that have limited linkages and cooperation with their surrounding rural hinterlands, where key food commodities, consumed in the city, may be produced and processed. High population density in urban areas also presents an elevated risk of contagion during usual provisioning or purchasing of food. Undoubtedly the urban poor – especially those living in informal settlements – face the higher risk both of infection and food insecurity. Their ranks are set to swell as the economic crisis caused by the lockdown plunged thousands of South African citizens into unemployment.

Temmer (2017) emphasises that strengthening local food systems will increase their resilience to counter disruptions in international supply chains. The scholar reasons that cities should protect available agricultural land for food production both within and around municipal boundaries. In the process, innovative methods could be used such as aquaponics and vertical agriculture. Small-scale food production and processing can bolster food security and provide employment, thereby strengthening local food systems and cohesion within communities. Thus, small-scale produce should be encouraged through municipal policies, including those regulating procurement. The challenges associated with diversity, production and distribution of food highlighted above, have led to innovative practices such as urban vertical farming (Despommier and Ellingsen 2008).

## **RESEARCH METHODOLOGY**

By following a qualitative case study design in an interpretivist research tradition, two methods for data collection were utilised. The first method was a thematic analysis of selected cases. These representative and typical cases enabled a comparative analysis and were purposively selected based on varying developed and developing city contexts. A desktop survey served as second data collection method and was used to uncover lessons from these cases (i.e. cities) regarding their responses to the Covid-19 pandemic. According to Bryman (2016:55), case

studies foster intensive examination of particular settings. Cases are especially useful when exploring phenomena of which limited knowledge is available. It is thus highly applicable in the context of the recent pandemic. In this regard, Eisenhardt (1989:548) argues that case studies are especially valuable when a “fresh perspective” is required and Kumar (2014:155) furthermore holds that cases are extremely relevant in studies where the aim is to explore and better understand, rather than to confirm or quantify data. Burns (1997:364) maintains that a case study must be a “bounded system, an entity in itself” and Kumar (2014:155) adds that case studies can be regarded as “flexible, open-ended techniques of data collection and analysis”.

Thematic analysis, according to Ritchie *et al.* (2014:71), involves “discovering, interpreting and reporting patterns and clusters of meaning within cases”. Flick (2014:421) adds that thematic analysis is useful to analyse both the content and context of cases. The analysis of cases entailed the review of official city documents, city resilience internet portals, and media reports. The main themes identified based on the analysis of the cases were:

- city resilience and food security context;
- unique initiatives in promoting food security;
- responses to the Covid-19 pandemic; and
- emergent success factors and potential best practice.

By using these themes, the researcher progressively integrated findings to make conclusions based on deductive logic. Below, each case is briefly explored whereafter the findings and conclusions based on the identified themes are reported.

## **RESEARCH FINDINGS: LESSONS FROM THE INTERNATIONAL EXPERIENCE**

### **Case study 1: New York City**

New York City is commonly regarded as the global leader in new initiatives towards city resilience and food security. Aero Farms located in Manhattan is currently the world’s largest vertical farm. The farm uses 95% less water, 0% pesticides, and does not depend on seasons or weather, leading to 30 harvests per annum. The company uses hydroponics (called “aerophonics”) and LED-lights to harvest vegetables after only 12 to 16 days, compared to conventional vegetable farming that can be harvested only after 30 to 45 days. Furthermore, companies such as Square Roots (<https://squarerootsgrow.com/>) and Sky Vegetables (<http://www.skyvegetables.com/>) in New York use old shipping containers to cultivate more than 30 different varieties of vegetables and fruit. These companies

generally produce in one acre of vertical space, more than conventional farming can yield in 10 acres.

### **Case study 2: Singapore**

For Singapore, most of the food is imported, therefore, the city is extremely vulnerable to sudden disruptions in supply. Land, natural resources and low-cost labour used to be the predominant ways the country achieved food security. However, vertical agricultural technology may solve these deficiencies. Sky Greens harvests approximately 30 tons of vegetables daily (<https://www.skygreens.com/>). In Orchard Road, the city's main shopping belt, numerous malls and department stores have also converted their roofs into food courts. An apt example is Comcrop's 600-square-metre farm established on the roof of one of the malls. The farm uses vertical racks and hydroponics to grow leafy greens and herbs such as basil and peppermint, all of which are sold to nearby bars, restaurants and stores. As a result, Singapore topped the Economist Intelligence Unit's (EIU's) Global Food Security Index of 113 countries for the first time in 2019, scoring high on measures such as affordability, availability and safety.

### **Case study 3: Montreal**

In Montreal, the company Lufa Farms produces crops on roofs of city buildings, thereby reducing food wastage to almost zero. Fresh produce is available forthwith and sold in local shops (<https://montreal.lufa.com/en/>). In China, farmers also are moving from rural areas to cities due to rapid urbanisation. Here, their skills are utilised in vertical urban farms. By growing more food locally, cities in China can improve their resilience by having sustenance readily available. These cities can also curb soaring unemployment by incentivising urban farming. In addition, cities have less need of water for agricultural production and decrease their carbon footprint by minimising the distance the food is transported.

### **Case study 4: Belo Horizonte**

In the city of Belo Horizonte, Brazil, approximately 40% of the citizens are involved in urban agriculture. Urban farms have helped reduce the overall numbers in child mortality and addressed childhood malnourishment. Such farms have the added benefit of serving as catalysts for building cohesive communities and to further job creation. Furthermore, the City of Rotterdam introduced a comprehensive resilience strategy (2019), which includes plans for floating urban farms in the city's harbour. These farms will house a dairy where cows produce milk, which can be processed into cheese, cream, butter and yogurt. Furthermore, the

farms will serve as educational platforms and community spaces where students can learn about sustainable food systems.

## **EMERGENT SUCCESS FACTORS AND POTENTIAL BEST PRACTICE EMANATING FROM CITIES' RESPONSES TO COVID-19**

Apart from vertical urban farming, cities can also take lessons from comparable urban centres around the globe in their responses to food security, especially during times of turmoil. Cities reacted to the Covid-19 pandemic differently, depending on their unique economic and demographic realities, cultures, local politics, as well as available infrastructure and supplementary resources. A desktop survey of these responses revealed several lessons that could be incorporated in cities' plans to build overall resilience and secure food supplies more effectively. Below, in no particular order, a brief synopsis is provided of certain teachable lessons per city.

- **Lagos, Nigeria:** The city introduced controls on food prices immediately to curb speculation for financial gain. Lagos also regulated shopping hours at municipal markets and introduced bio-protection measures at city amenities. The city council furthermore involved the private sector, allowing neighbourhood shops to re-open amid strict controls on informal sales. The council also issued special permits for food transportation alongside vehicles for health and other essential workers. Inhabitants were allowed to use their vehicles only once a week at restricted times to purchase food. The city delivered food parcels to vulnerable people registered on the municipal social programme and helped established shelters for the homeless.
- **Nairobi, Kenya:** The Food System Department of the city applied the City Region Food System Indicators. This action was taken to assess food vulnerabilities, collect data on food traders, and monitor agricultural activities. The city shut down all facilities, including food markets. The curfew made it impossible for “mama boga” (female informal vegetable traders) to obtain supplies from markets to peddle in low-income neighborhoods. The city's food system relies heavily on the informal food sector. Food production, therefore, entails keeping dairy goats in backyards, cultivating vegetables in public spaces, and rearing chickens between houses in informal settlements. Evidently, it is vital that the city support informal food production and distribution.
- **Antananarivo, Madagascar:** Of particular interest is the introduction of so-called “food-flow mapping” to chart the entire food system. These maps help the city assess vulnerabilities in the food supply chain and determine the quantity of food required by especially communities considered at risk. Thereafter, the city partnered with various actors such as government agencies, businesses,

as well as non-governmental, civil-society and community-based organisations to coordinate the transportation and distribution of food during the pandemic.

- **Kitwe, Zambia:** Despite the limited spread of the virus, certain factors must be considered. Fear, restricted transportation and/or physical distancing has hampered the supply and distribution of fresh food, mainly fruits, vegetables, meat and dairy products. In addition, numerous smallholder farmers in the city region, involved in fresh food production, are also particularly affected since most of these households have the highest incidences of poverty. The risk is to reduce prices significantly from farm-gate products, which will tend to increase losses at farm level, particularly for perishable products. The central government is dealing mainly with challenges of food supply. Despite the limited power of local government, the city created a multi-stakeholder platform to coordinate actors in the food supply chain. Such coordinated actions helped mitigate the impact of Covid-19 and to deal with post-pandemic issues of food security.
- **Quito, Ecuador:** The city established the Special Operations Committee to coordinate the mapping of food markets, assess the nature of vulnerable communities, and target specific ones for emergency food distribution. A weakness in their response, however, was that the Committee did not provide specifically for the elderly or disabled people. The city, furthermore, adjusted their council policies and by-laws, thus enabling community-based organisations to become involved rapidly in food distribution.
- **Toronto, Canada:** The city immediately conducted assessments on food vulnerability and established an emergency committee. The aim was to coordinate food provisions for low-income, homeless and unemployed citizens. The city also partnered with food agencies within communities, the Red Cross and the Salvation Army, to distribute food efficiently. In addition, the city encouraged the establishing of so-called “community kitchens” to prepare meals that could be distributed among the vulnerable communities.

The examples above illustrate that food insecurity in cities can be addressed and these sectors’ overall resilience strengthened through innovative alternatives. Nevertheless, despite the significant potential of these alternatives, in several countries urban agriculture currently receives scant support from policymakers and available resources (Brodt *et al.* 2011; FAO 2017:118, 143). It is evident also that the strengthening of local food systems can increase urban resilience significantly. Urban food production and processing can bolster food security and provide employment, thereby strengthening local food systems and community cohesion – measures that municipal local policies on economic development should encourage.

The desktop survey further revealed a number of additional measures for food resilience adopted by cities around the world. These measures include:

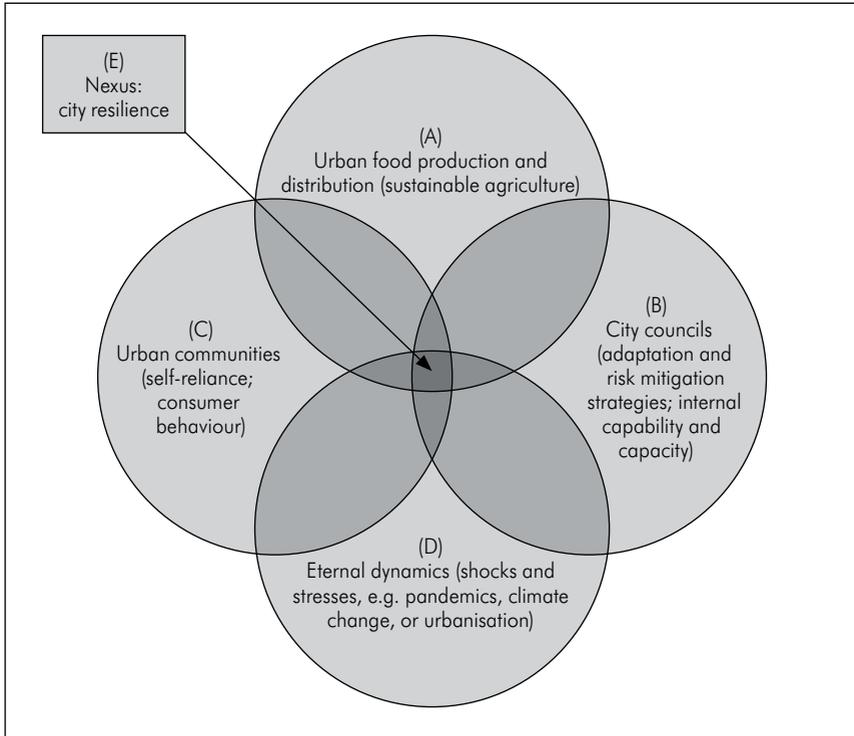
- Conduct regular risk assessments of the peri-urban food system's resilience to climate-related shocks and stresses, thus identifying vulnerable components and stakeholders.
- Integrate urban food security and agriculture into strategies that help cities adapt to climate change and manage disasters more effectively.
- Identify available urban spaces prone to floods and landslides and protect or earmark these as agricultural areas.
- Design comprehensive and integrated municipal policies, strategies and programmes for urban agriculture and to help ensure food security.
- Promote spare capacity within food systems to compensate for disruptions to logistics and account for spikes in demand.
- Encourage community-based, self-help agricultural projects to stimulate ownership, job creation, and access to affordable food that is appropriate for the culture.
- Stimulate strong political and administrative leadership to strengthen inter-sectorial, interagency and intra-governmental cooperation.
- Campaign for civil society partnerships and help vulnerable communities build their resilience against possible shocks and stresses.
- Launch awareness campaigns to promote the purchasing of local produce and facilitate food education by "greening" school programmes and by incorporating sustainable agricultural practices into curricula.
- Align city plans to answer immediate urban demands with longer-term resilience and imperatives for socio-economic development.
- Provide adequate safety nets for the most vulnerable urban communities.
- Mainstream risk-sensitive programmes to counter food vulnerability, thereby ensuring continuous monitoring and assessment of the programmes' successes.

It is evident that the abovementioned measures and further initiatives should be taken. Such interventions should address external vulnerabilities, promote the development of cities' internal capacities and capabilities and establish self-help resilience programmes for communities.

## **CITY RESILIENCE, PANDEMICS AND FOOD SECURITY: THE NEXUS**

International experience revealed severe disruptions of cities' food systems due to the Covid-19 pandemic. Thus, the problem of food security highlights the need to connect more localised food production with urban consumption. Evidently, urban areas should not rely solely on far-removed agricultural activities with no recourse in case of serious disruptions. Cities that plan actively for resilient food systems may

**Figure 1: City resilience: The nexus**



Source: (Author's own construction)

contribute to a more diversified national food supply chain. In this regard, cities would make certain that access to food remains at, or swiftly returns to, pre-shock levels. Strategic planning demands a more integrated and coordinated effort by various role-players. These include city-government officials, civil-society organisations, the agricultural community, local businesses, and other government agencies. Such a concerted effort should be guided by an integrated framework that outlines the nexus clearly between external shocks, food security, and city resilience. Figure 1 below depicts the parameters of such a proposed nexus.

The respective dimensions (A – D) of the nexus model for city resilience are expounded below.

### **A: Urban food production and distribution**

The dimension of urban food production and distribution implies adopting innovative and more sustainable agricultural practices. Cities need to embrace

new, diverse ways of growing food through methods such as rooftop agriculture, aquaponics and vertical farming. However, these methods cannot replace food production on large-scale commercial farms but should merely supplement existing food supply. Large rural areas will therefore still be required for large-scale agricultural activities such as wheat and maize production and to provide grazing for livestock. Urban farming is suitable only for produce with a limited shelf-life such as vegetables and fruits. Fresh produce that is highly susceptible to deterioration during extended transit periods should be targeted as well as alternative protein sources such as insects and kelp, which can be cultivated in relatively small spaces. Such urban methods will not only enhance food resilience, but also support local businesses by establishing more localised food markets.

## **B: City councils**

City councils, including municipal administrations, fulfil an extremely important role in designing and implementing the necessary strategies for adapting to and mitigating risks. Furthermore, these councils strengthen internal organisational capabilities and capacities. Strong political and administrative leadership is required to ensure city councils act as catalysts for policies that regulate food resilience. Councils should also implement strategies such as spatial planning, establish local food markets, and network with key stakeholders. This means councils should adhere to statutory and regulatory obligations and follow normative guidelines on sound developmental local governance. Furthermore, councils could develop city-specific policy guidelines and learn from international experience by adopting best practice and adapting this to local conditions and circumstances.

To boost resilience in the face of environmental shocks such as the Covid-19 pandemic, requires that cities adapt and cope in sequential yet intersecting phases. The first phase can be labelled “emergency response”. This phase focuses primarily on immediately controlling the impact of the pandemic on city operations and functions. Such strategies include preventing transmission of the disease and caring for those who are affected. Cities should especially support health-care services and ensure vulnerable communities are assisted. The second phase entails “coping or recovery”. Nemeth *et al.* (2009:6) use the term “restoration” to typify this phase as incorporating the ability to adapt and reconfigure internal operations. How swiftly cities can return to a situation of equilibrium, requires effective “engineered resilience” (Holling 1973:13). The third coping phase has both an internal and external dimension. Internally, the focus is mainly on mitigating the impact of the event on the city’s functions and operations. As external effort, care should be taken of vulnerable groups, involving communities and other stakeholder groups and jumpstarting the local economy. Cities should adopt various coping mechanisms such as providing employment opportunities for those

community members without social or financial safety nets. Such employment opportunities may include disinfecting public amenities, collecting refuse, and distributing health, safety and hygienic equipment where needed. The third and final phase is mainly about adapting to new realities the pandemic and similar shocks introduced and preparing for similar events in future.

### **C: Urban communities**

The resilience of cities regarding food security should be supported by self-reliant urban communities that accept responsibility for their own well-being. In other words, communities should be encouraged to take ownership of localised initiatives for food production. Such initiatives should particularly incorporate self-help production (e.g., own backyard cultivation). Furthermore, civil-society organisations should cater for vulnerable groups such as the elderly, women, children, and the unemployed. Urban communities should also be inspired to alter consumer behaviour about unsustainable food types and bolster support for locally produced food (Cohen 2020). In this regard, educational and awareness programmes could be launched to limit food wastage and encourage “green” agricultural practices.

### **D: External environmental dynamics**

Slow-onset and sudden outbreaks of natural disasters as well as human-made shocks and stresses will continue to disrupt cities to varying degrees. Events such as pandemics require effective early-warning systems, systems thinking, continuous environmental scanning and risk assessments to adapt and cope with timely. Observers such as Haass (2020) and Smith-Bingham and Hariharan (2020) maintain that sudden environmental shocks such as the pandemic can be expected to function as change accelerators by advancing existing trends in urban governance. Ideally, cities should emerge from the pandemic and similar events much more adaptive, capable and sturdier to withstand future shocks and stresses.

### **E: City resilience as nexus**

City resilience in food security means striking a delicate balance between three factors. These are the demographics and behaviour of urban communities, a dynamic local governance environment, and organisational capacity and readiness to respond proactively to risks and vulnerabilities in food supply. A resilient urban food system ensures communities are food secure, in other words, have reliable access to nutritious, affordable and culturally-appropriate food types. Furthermore, cities must create an enabling environment where food can be grown, processed

and sold locally, while retaining access to national and international sources. For such an environment, city infrastructure and land should be allocated for localised food production and distribution. In this way, food value chains can be shortened, simplified and multiplied. These efforts should be complemented by urban awareness programmes and establishing sound networks with civil society and business enterprises to strengthen the production, processing and purchasing of locally produced food. Certain aspects of the national food system fall outside the legal jurisdiction of cities. However, governing bodies can consider various interventions to help build and maintain a more resilient society.

## CONCLUSION

Environmental shocks such as pandemics are difficult to predict. Typical “black-swan” events sharply outline the detrimental effects of social inequalities and inequities such as access to food. Covid-19 should be considered a wake-up call for cities to build resilience proactively, especially in the domain of food security. Cities should avoid treating the pandemic as a once-off, stand-alone crisis. Instead, city administration should acknowledge the vulnerabilities and risks within the larger national food system. A growing food demand, combined with unsustainable production practices, and the effects of climate change, is bound to increase the burden on cities. Such challenges will require a radical departure from existing food systems.

There is evidently an acute need to ensure growing urban communities have sufficient access to healthy, affordable sustenance, which is produced and distributed sustainably. Cities’ administration must make certain that low-income and vulnerable groups do not suffer from food insecurity. Alternative, localised food production such as urban farming should be promoted strongly. In addition, cities should adopt lessons learnt from international experience. These lessons should be treated as potential solutions to handle the problem in a more holistic and coordinated manner. Such an approach would imply supplementing existing food supplies by promoting local food production as well as planning shorter and creating more diverse supply chains. The mentioned holistic approach is essential to build city resilience in the face of future unpredictable environmental shocks and stresses.

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# The Professionalisation of the South African Public Sector

## Challenges and Opportunities

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### ABSTRACT

Public sector professionalism is closely linked to a merit-based public sector system that serves the citizenry according to professional competence and merit, rather than on narrow unethical personal and political interests. Chapter 10 of the *Constitution of the Republic of South Africa* of 1996 indicates that one of the basic values underpinning public administration is that a high standard of professional ethics must be promoted and maintained. Despite this constitutional mandate, and a plethora of legislation supporting public sector professionalism, the levels of unprofessional behaviour remain an area of consternation. Unprofessional behaviour in the public sector erodes investor confidence, diminishes morale and portrays the public sector poorly in the public eye. On 8 December 2020, the Department of Public Service and Administration released the document, '*A National Implementation Framework towards the Professionalisation of the Public Service*'. The framework's aim is to ensure a "responsive, meritocratic and professional public administration in the service of the people". Consequently, this article examines the transition of the South African public sector from its establishment in the early years of democracy to the current challenges that it faces. The article employs a desktop review, and a qualitative lens to examine the concept of professionalism in the South African public sector, as well as the current challenges and opportunities to professionalise the public sector to realise the promised 'better life for all'.

## INTRODUCTION

Despite the existence of a complex policy framework underpinning professionalism in the South African public sector, the challenge of unprofessional behaviour, as attested to in the number of corruption cases, is a cause for major concern. The Constitution, 1996 makes it clear that public administration must maintain a high level of professionalism. The Constitution, 1996 implored public servants to be professional, accountable and development-oriented. This was further supported by the National Development Plan: Vision 2030, (hereafter referred to as NDP: Vision 2030) which expects that the public act according to set guidelines (Constitution 1996; NDP: Vision 2030). While a fair number of public servants have professional qualifications, the state of professionalism within the public sector is an area of concern. In this regard, the National School of Government (NSG) Draft Framework on Professionalism, '*A National Implementation Framework towards the Professionalisation of the Public Service*', (2020:44) concludes that, "Qualifications in isolation from other essential elements of professions such as academic and social values, are the worst predictors of professionalism".

The democratic government inherited a poorly trained and racially skewed public service that was characterised by mostly poorly trained public servants. Moreover, public servants had to work around the milieu of a developmental state, while upholding the constitutional values and principles that underpin public administration. The deployment of cadres by the ruling party has also eroded the professional base of the public sector. While cadre deployment is used in other countries, the adoption of this practice in the South African public sector leaves much to be desired. In fact, commentators describe it as an "orgy of corruption" and unprofessional behaviour (Swanepoel 2021).

Based on the aforementioned, the article will investigate the development of the South African public sector. Furthermore, it will try to explain the manifestation of professionalism within the context of the current reality facing the South African public sector. In conclusion, the article will offer solutions to professionalise the public sector based on the literature reviewed.

## BACKGROUND TO THE SOUTH AFRICAN PUBLIC SECTOR

South Africa's transition to a democracy in 1994 brought with it a feeling of extreme happiness on the one hand, and much trepidation on the other. The newly elected government had to deliver on the slogan that underpinned freedom, namely a "better life for all". However, both the new government, in general, and the public service, in particular, realised that much work needed to be done. The government had inherited a racially skewed public service, where a large

percentage of senior civil servants were either white or emanated from former homeland administrations (Franks 2014:48).

Naidoo (2008:101) states that, in 1993, prior to the formalisation of the country's democratic dispensation, there were 11 administrations with their own administrative architecture, policies and human resources (Public Service Commission (PSC) 1995 in Naidoo 2008:101). The PSC (1995 in Naidoo 2008:101) also indicates, that prior to 1994, the public service constituted 172 departmental structures and just over 1.2 million personnel, as outlined in Table 1.

**Table 1: Composition of the public service pre-1994**

|                                                                           | <b>Number of departments/ administrations*</b> | <b>Number of personnel</b> |
|---------------------------------------------------------------------------|------------------------------------------------|----------------------------|
| Public service of the RSA                                                 | 38                                             | 750 000                    |
| TBVC states (independent African homeland territories)                    | 76                                             | 210 000                    |
| Self-governing territories (non-independent African homeland territories) | 62                                             | 270 000                    |
| <b>Total</b>                                                              | <b>172</b>                                     | <b>1 230 000</b>           |
| * includes provincial administrations                                     |                                                |                            |

Source: (PSC 1995 in Naidoo 2008:101)

The task of transitioning towards a new public service was further complicated by the need to incorporate 15 separate administrations serving 11 different governments, building trust within the public service, and building an inclusive and transparent public service to serve the new dispensation (Franks 2014:48; Naidoo 2008:112). The first task of the post-1994 government was to create a single public service comprising of central departments and nine provincial administrations (Naidoo 2008:118). During the first five years of democracy, this was supported by a Government of National Unity (GNU). Furthermore, the adoption of the Sunset Clause as part of the negotiated settlement would ensure that public servants had their jobs guaranteed until 1999 (Franks 2014:50).

The adoption of the Constitution, 1996, underscored the importance of the public service by stating that the public administration ought to be guided by basic values and principles (Section 195(1) of the Constitution 1996). Moreover, in terms of public sector reform, the post-1994 agenda was premised on two phases. The first phase was to democratise and transform the state machinery (1994–2004), while the second phase concentrated on building a developmental state (2005-current) (Muthien 2013:2). Additionally, it has been observed that South Africa still lacks a model of reform for the public sector (Chipkin & Lipietz 2012; Muthien 2013:2).

Prior to democracy, race representation was skewed, especially within the management hierarchy of the public service. In 1989, the public service comprised 59%, while it constituted just over 75% of the total population. Very few black people were part of the senior management echelons (Naidoo 2008:113). To address this imbalance, the democratic government deemed it fit to introduce affirmative action (AA) policies. The introduction of these policies saw an increase in black managers from 24 000 in 1995 to just over 75 000 by 2001 (Naidoo 2008:113). Despite the good intentions of AA, it was open to abuse. Franks (2013), citing Geraldine Fraser-Moleketi, indicated that AA had unintended consequences, such as cadre deployment (selecting candidates based on party-political loyalty rather than on merit).

Gender representation within the public service was another pressing issue that had to be addressed by the democratic government. Cameron (2004 in Naidoo 2008:113) indicated that women constituted 7.94% of public service managers in 1995, while the 2001 Census indicated that women constituted 52% of the South African population. By 2006, women had progressed to represent 41% of “highly skilled supervision employees” (Naidoo 2008:114).

Muthien (2000 in Muthien 2013) adds that the apartheid system’s discriminatory occupational grading structure of the public service had to be overhauled. Hereby “approximately 284 occupational classes were reclassified into 16 broad bands and occupational specific dispensations (OSDs) for scarce and highly qualified professional classes”.

The levels of education and expertise of public servants inherited by the new government was uneven, and a dedicated school for the training of public servants was mooted. The South African Management Development Institute (SAMDI), which was founded in 1993 under the auspices of the PSC, aimed to be an independent training institution for public servants. SAMDI failed to address the training needs required for a modern public service, and, as such, it was reconstituted as the Public Administration Leadership and Management Academy (PALAMA) in 2006 (Franks 2014:53). Although PALAMA had a specific mandate, it failed to attract many (especially senior) public servants. Instead, public servants preferred furthering their studies at higher education institutions.

In 2001, the Senior Management Service (SMS) was created to train and build capacity within its ranks. The SMS Handbook introduced a competency-based framework for 10 000 senior managers and 250 000 junior managers. The framework embraced 10 core competencies, with honesty and integrity added as further competencies in 2008 (Franks 2014:50).

To further professionalise the public service the Department of Public Service and Administration (DPSA) in 1997 launched the *Batho Pele* initiative (*Batho Pele* is a SeSotho phrase meaning “putting people first”). The principles were aimed at holding public officials to account. Franks (2014:9), however, indicates that the

*Batho Pele* initiative “failed to take root or show significant results in changing the politico-administrative culture”.

The push to support and build on the capable and developmental state was supported by the promulgation of the new Public Administration Bill, 2013, which expressed as its vision and mandate that, “The emerging SA development state is democratic, non-racial, interventionist, redistributive, pro-poor, people-centred and participatory” (Public Administration Bill, 2013 in Muthien 2013). The Bill justified a single public service while supporting the devolution of power.

It is argued that this Bill was in response to the NDP: Vision 2030, which pointed to clear failures within the public administration/management and made the point that “public services are uneven and often of poor quality” (Muthien 2013:7). Franks (2014:55) indicates that the Bill is supportive of the principles of good governance, by addressing corruption, mismanagement and dismissal processes for recalcitrant managers.

Currently, the public service is in the process of fighting unethical conduct within its ranks. Billions of rands have been lost through “state capture”, as well as through unfettered spending where public officials are not held accountable for their actions. Citizens have become weary of government. Moreover, their patience is wearing out, as is attested to by the ongoing service delivery protests. The mandate to professionalise the public service has gathered a new momentum to meet a new dawn.

## **POLICIES AND FRAMEWORKS FOR PUBLIC SECTOR TRANSFORMATION**

The South African government is faced with the challenge of professionalising the public service to hold public servants to account and to modernise the administrative and management systems for improved service delivery. During the post-1994 era, several policies have been introduced to improve public service delivery. However, this has not yielded the intended results. This section will focus on the salient policies and frameworks that were intended to professionalise the public service.

### **The Reconstruction and Development Programme**

The Reconstruction and Development Programme (RDP) was introduced by former President Nelson Mandela on 23 November 1994. The RDP was seen as a policy instrument to address socio-economic progress, to help alleviate poverty and to eradicate the disparities of the past (White Paper on Reconstruction and

**Figure 1: The six basic principles of the RDP**



**Source:** (White Paper on Reconstruction and Development 1994)

Development 1994:7). The six basic principles of the RDP were meant to ensure coherency in the programme’s roll-out, as illustrated in Figure 1.

One of the RDP’s central tenets included the professionalisation of the public service, which it intended to support by addressing human resource development. This was seen as key because the RDP was people-centric. In this regard, the RDP also focused on democratising the state, building the economy and implementing the programme (RDP 1994).

Among its various subsections, the RDP framework lists the need for a professional, non-discriminatory public service that addresses the historical legacy of apartheid. According to the RDP, this should be done by addressing matters relating to AA, labour organisational rights and building training and development capacity. The RDP clearly indicates that, “A coherent human resource development policy will be developed to focus on skill acquisition and adult

basic education for the incumbent workforce” (White Paper on Reconstruction and Development 1994:33).

## **The White Paper on the Transformation of the Public Service, 1995**

The White Paper on the Transformation of the Public Service (WPTPS) was assented to on 15 November 1995 (WPTPS 1995). Chapter Two of the WPTPS contains the vision of the ‘new public service’, which is *inter alia* to:

- “Be guided by an ethos of service and committed to the provision of services of excellent quality to all South Africans in an unbiased and impartial manner;
- Geared towards the reduction of poverty;
- Be open to popular participation, transparent, honest and accountable, and,
- Be respectful to the rule of law, faithful to the Constitution and loyal to the government of the day” (WPTPS 1994: Chapter Two).

The mission of the WPTPS is captured as: “The creation of a people-centred and people-driven public service which is characterised by equity, quality, timeousness and a strong code of ethics” (WPTPS 1994: Chapter Two). The WPTPS is reflected by Section 195 of the Constitution, 1996, which underscores the need for a professional public administration underpinned by values, honesty and integrity. Moreover, the WPTPS calls for a professional work ethos, integrity and the promotion of ethical capabilities that must be developed through ongoing training.

## **The Constitution of the Republic of South Africa (Act 108 of 1996)**

The Constitution, 1996 stands as the guard-rail to a truly democratic order in the country. The Constitution, 1996 is unique in that Parliament is subservient to it. The Constitution, 1996 was deemed as the “supreme” authority and the functional fields of government were realigned to fit the role of decision-makers and public policy (Constitution 1996).

The Constitution, 1996 sets out the following basic values and principles that govern public administration:

- “A high standard of professional ethics must be promoted and maintained;
- Efficient, economic and effective use of resources must be promoted;
- Public administration must be development-oriented;
- Services must be provided impartially, fairly, equitably and without bias; and,
- Good human resource management and career development practices, to maximise human potential must be cultivated” (Constitution 1996).

## The White Paper on Transforming Public Service Delivery, 1997

The White Paper on Transforming Public Service Delivery, 1997 (the *Batho Pele* White Paper) focuses on building a public service that is capable of meeting the challenges of improving service delivery to South African citizens. The key initiative of the *Batho Pele* White Paper was to treat citizens as clients of government and to modernise government to be more responsive to citizen needs (White Paper on Transforming Public Service Delivery, 1997).

The *Batho Pele* White Paper was supported by eight principles, as outlined in Figure 2.

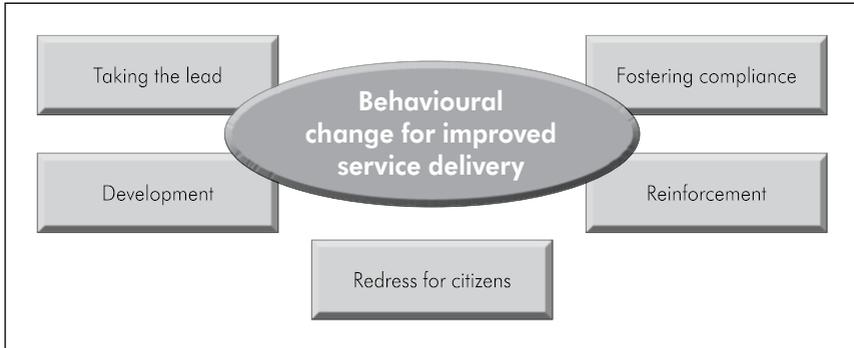
**Figure 2: The *Batho Pele* principles**

|                                     |                                                                                                                                                                                                                                           |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Consultation</b>              | Citizens should be consulted about the level and quality of the Public Services they receive and, wherever possible, should be given a choice about the services that are offered.                                                        |
| <b>2. Service standards</b>         | Citizens should be told what level and quality of Public Services they would receive so that they are aware of what to expect.                                                                                                            |
| <b>3. Access</b>                    | All citizens should have equal access to the services to which they are entitled.                                                                                                                                                         |
| <b>4. Courtesy</b>                  | Citizens should be treated with courtesy and consideration.                                                                                                                                                                               |
| <b>5. Information</b>               | Citizens should be given full, accurate information about the Public Services they are entitled to receive.                                                                                                                               |
| <b>6. Openness and transparency</b> | Citizens should be told how national and provincial departments are run, how much they cost, and who is in charge.                                                                                                                        |
| <b>7. Redress</b>                   | If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation, and a speedy and effective remedy and when complaints are made, citizens should receive a sympathetic positive response. |
| <b>8. Value for money</b>           | Public services should be provided economically and efficiently in order to give citizens the best possible Value for Money.                                                                                                              |

Source: (PSC 2008:5)

The DPSA recently published the *Batho Pele* Revitalisation Strategy (DPSA 2022). The strategy is a redesigned approach to the *Batho Pele* Policy, and further commits public servants to strive towards a high standard of professional ethics. The revitalisation strategy builds on the eight principles of the 1997 White Paper but supports it by five connected key pillars, namely Leading, Development, Fostering, Reinforcement and Redress, as outlined in Figure 3.

**Figure 3: Five pillars of the *Batho Pele* Revitalisation Programme**



Source: (DPSA 2022)

## **The White Paper on Affirmative Action, 1998**

The White Paper on Affirmative Action (also known as the Affirmative Action White Paper) was assented to on 23 April 1998. The main aim of the Affirmative Action White Paper was to “set out the mandatory requirements and guidance on the steps which national departments and provincial administrations should take to develop and implement their affirmative action programmes, and to sketch out the accountability, monitoring, co-ordinating and reporting responsibilities of various players within affirmative action programmes” (White Paper on Affirmative Action, 1998). AA was seen as a transformational tool or framework to develop a representative public service by investing in training and development to build the skills of previously disadvantaged members of society.

The regulatory, statutory and policy frameworks are seen as tools to help government to link realities to service delivery issues. A clear outline of the legal parameters helps create an understanding of professionalisation within the public service.

## **CHALLENGES TO PROFESSIONALISING THE SOUTH AFRICAN PUBLIC SECTOR**

### **The growth of managerialism and modernisation**

Globally, public service organisations are faced with the ongoing need to adapt to globalisation and economic liberalisation; the onset of technology to deliver services, as experienced in the Fourth Industrial Revolution (4IR); and ongoing competition for effective and efficient services (United Nations Department of Economic and Social Affairs (UNDESA) 2000:30–33).

Furthermore, public service organisations have had to adjust to the consciousness of the 'new public administration' and a move towards 'managerialism' at the onset of the new millennium (UNDESA 2000:14). For example, in Brazil at the turn of the century, the modernisation agenda was linked to managerialism. It was found that, "The shift from a rules-based to an outcomes-oriented bureaucracy has implications for public service professionalism and ethics" (UNDESA 2000:14). Moreover, there has been a large call for public servants to be politically neutral.

South Africa has not been isolated from the call to professionalise the public service by adopting the managerialism perspective in terms of transformation and modernisation of the public service (Muthien 2013:139). This resulted in the appointment of highly qualified managers alongside officials who were inherited from the apartheid state (Muthien 2013; Franks 2014). The newly appointed cadre of senior managers went on a mission to build a constitutionally sound public service. However, all was not well. According to Muthien (2103:129), the following challenges stemmed from the managerialist perspective:

- The move towards a managerial model saw decision-making devolving to cabinet ministers, line-functioning heads of departments and agencies.
- The new managerial model was selectively embraced, as all ranks of the public service failed to buy into it.
- The model was not consistently applied across all departments, both horizontally and vertically (Muthien 2013:129; Franks 2014).

The unanswered question still remains as to whether the move towards a new managerialist model supported the country's RDP. The quest for a modernisation model for the state bureaucracy is an ongoing challenge. The clarion call remains for a public service that is endowed with a high level of professionalism and an ethos to serve the public.

## **The challenge of professional versus political appointments**

Currently, both politically appointed and career public servants are viewed very sceptically by the public. The ongoing cases of corruption within the public service have made the sector open to greater public scrutiny. Public officials have been seen as a corrupt lot, who either enrich themselves or who aid or abet political appointees in malfeasance and corruption.

South Africa embraced a new model of public administration post-1994. The model saw a combination of "four contradictory models of administrative leadership by blending political appointees/'deployees' with old guard civil service mandarins, agency specialists/technocrats, and corporatists managers" (Muthien 2000; Chipkin and Lipietz 2012 in Muthien 2013:130).

Moreover, the appointment of members of the SMS was vested in the president, acting in consultation with his cabinet. In many instances across the public service, the new appointment blueprint saw the erosion of merit-based appointments. The Local Government: Municipal Systems Amendment Act, 2011 and the Public Administration Bill, 2013 attempted to address the issue of political appointments by shifting political office bearers' role in appointments to heads of departments.

To stabilise the administrative and political interface, the NDP: Vision 2030 identified the professionalisation of the public service as a key element to strengthen and entrench democracy (NSG 2020:12). The NSG draft document goes on further to indicate that a professional public service "is one where people are recruited and promoted on the basis of merit and potential, rather than connections or political allegiance. This requires rigorous and transparent recruitment mechanisms. However, the public service will not be effective if it is elitist and aloof. Public servants need to have an in-depth understanding of the sections of society with which they work. A highly skilled public service should also be representative of, and connected to, the communities it serves" (NDP in NSG 2020).

## **The erosion of ethical guidance**

It has become incumbent on the public service to attract and retain competent staff. According to the Harris Burns Consultancy Group (2020 online), "Many public sector organisations now realise that values and ethics play a pivotal role in attracting and retaining their top talent". While the South African public service (and sector at large) have reliable codes of ethics, officials found in breach of their respective codes often go unpunished. In 2020, The Conversation (online source), captures the scourge of corruption as follows: "Democratic South Africa appears to have morphed into a fully-fledged predatory state. The lobby group Corruption Watch reported last year that more than half of all South Africans think corruption is getting worse. They also think that government is a doing a bad job at tackling corruption".

According to Muthien (2013) public service ethics has become compromised by public servants who are allowed to do business with the state. The Parliamentary Monitoring Group (PMG) (2020 online source) indicated some sobering statistics of this phenomenon. According to the PMG, 1 539 public service employees had conducted business with the state as of April 2020.

While this practice is illegal, the consequence and management thereof remain elusive. Transgressors have found loopholes in legislation, such as the Companies and Intellectual Property legislation and its interpretation, and in the Public Administration Management Act 11 of 2014. Public servants who have been caught transgressing simply resign and bear no consequence for their actions. The

lack of consequence management allows public servants to stretch the bounds of ethics when it comes to the public service.

Ethics focuses on how public servants ought to exercise judgement and discretion when carrying out their official duties. Instilling norms and values and reinforcing them stems from a system of administrative policies, management practices, oversight and an incentive scheme (UNDESA 2014). It is often argued that, if basic societal needs cannot be met, then public service professionalism and ethics become a point of contention. Within an ethically sound public service, service is held above self-interest, and where public officials are held to account for their actions.

A large budget is allocated to ethical training interventions and vetting of SMS members. Thus, it is incumbent upon the government of the day and its administration to hold public officials to account. Earlier in this article, the legal framework highlighted the plethora of laws available to the public service/sector to promote ethics. However, if the will does not exist to hold public officials to account, unethical behaviour will remain unpunished, and a sense of impunity will prevail.

## **Skills deficit and poor leadership**

According to Muthien (2013) and Franks (2014) only 16 out of 144 government departments submitted a human resource plan to the DPSA. Additionally, the PSC (in Muthien 2013) indicated that, “The public service fails to place people with the right skills and right competencies in the right places”. Given the array of challenges, the Presidency, PSC and the respective Offices of the Premier were given oversight across poor performance and steps to be taken to enforce discipline. The Auditor-General’s Report of 2011–2012 (in Muthien 2013) identified the following four key elements that need to be addressed to improve reporting and compliance:

- Lack of leadership and compliance
- Vacancies in key positions
- Instability in leadership positions
- Ineffective performance management.

Moreover, a commitment to building professional skills and competencies is crucial for the success of the public service. Much thought must be dedicated towards aligning a performance- and skills-related salary structure. Finally, the task of linking the issue of integrity of leadership and institutions to socio-economic development plays an important role in the success of the public service. Leadership based on supporting the principles of the *Batho Pele* White Paper is fundamental to success of the public service, where corruption by elitist groups and by appointed officials is rooted out. The public service must be seen as an employer of choice, where citizens’ needs and the mandate to improve the lives of all must be the clarion call of the public service.

## **A compliance-driven public service**

A further challenge within the public service – especially within the ranks of the SMS – is the need for compliance. Undoubtedly, achieving compliance is essential. However, public officials often comply with requirements while the challenges within their units remain unaddressed. Flexibility for senior managers, especially those in the leadership positions, must be allowed to provide innovative solutions to address the complex societal issues.

## **CURRENT CONTEXT OF THE SOUTH AFRICAN PUBLIC SECTOR**

In his monthly newsletter for March 2021 President Ramaphosa commented that, “Only a capable, efficient, ethical and development-oriented state can deliver on the commitment to improve the lives of the people of this country. This means that the public service must be staffed by men and women who are professional, skilled, selfless and honest”. This statement created the impetus for introducing a professional public service that could meet its mandate, as set out in Section 195 of the Constitution, 1996, namely: “Basic values and principles governing public administration requires that a high standard of professional ethics must be promoted and maintained” (The Presidency 2021 online source March 2021).

President Ramaphosa added that, “All too often, people have been hired into, and promoted to, key positions for which they are neither suitable nor qualified. This affects government performance, but also contributes to nepotism, political interference in the work of departments, lack of accountability, mismanagement and corruption” (The Presidency 2021 online source March 2021).

Additionally, the NDP calls for all stakeholders to “play an active role in driving professionalisation and skills development in the public service and local government respectively” (NDP: Vision 2030 online source). Moreover, to build on a capable and developmental state characterised by social cohesion, the NDP suggests that leadership, an active citizenry and strong government are the cornerstones for addressing the country’s challenges.

According to the NDP, a developmental state should “improve the lives of citizens, while intervening to correct historical inequalities. Neither government nor the market can develop the necessary capabilities on their own” (NDP: Vision 2030 online source). The developmental state can only be realised by embracing change and creating conditions to foster social cohesion, as outlined in Figure 4.

In 2014, the NDP highlighted unemployment among the country’s youth as an area of concern. (Due to the Covid-19 pandemic, the levels of youth

**Figure 4: An approach to embracing change and fostering social cohesion**



Source: (NDP: Vision 2030 online source)

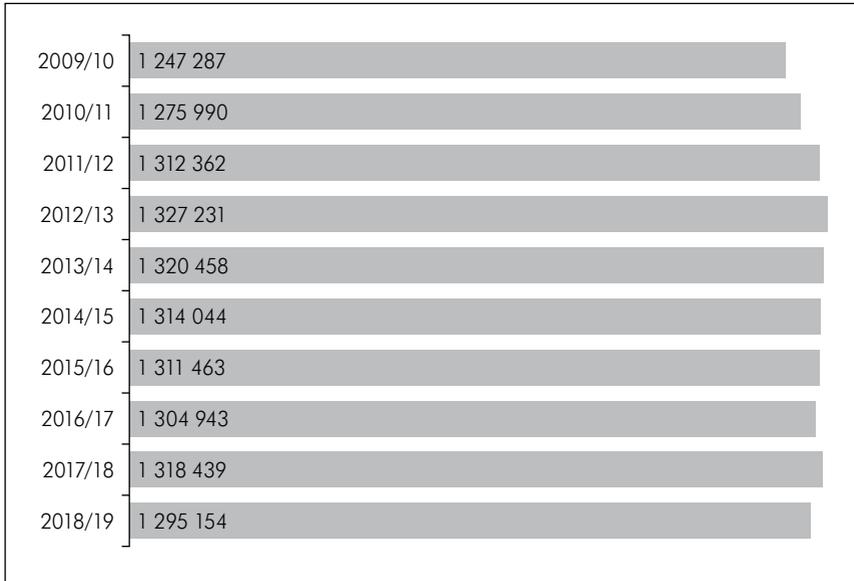
unemployment have risen even further in 2022). The plan sets out the following six priority areas for addressing national planning:

- “Uniting all South Africans around a common programme to achieve prosperity and equity.
- Promoting active citizenry to strengthen development, democracy and accountability.
- Bringing about faster economic growth, higher investment and greater labour absorption.
- Focusing on key capabilities of people and the state.
- Building a capable and developmental state.
- Encouraging strong leadership throughout society to work together to solve problems” (NDP: Vision 2030 online source).

## Staffing in the public service

Figure 5 indicates the number of full-time equivalent employees in the public service from 2009–2019.

**Figure 5: Number of full-time equivalent government employees in South Africa from 2009–2019**



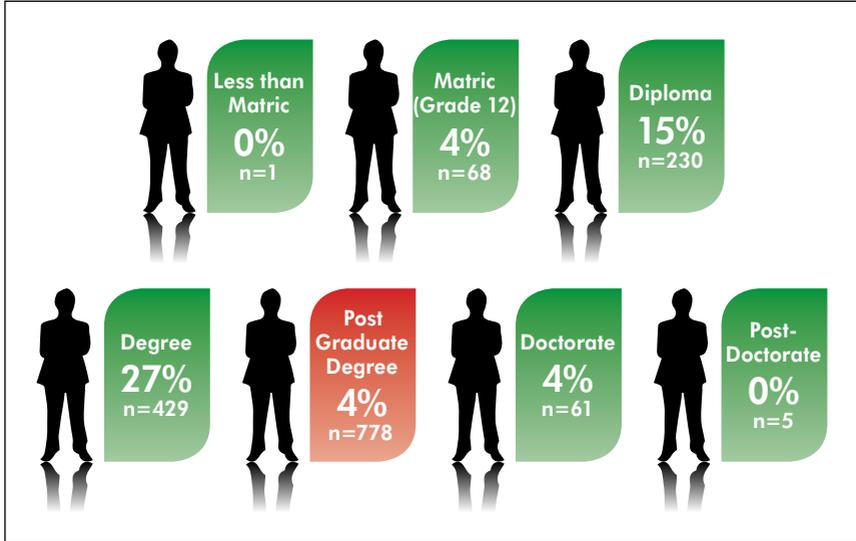
Source: (National Treasury in @ Africa Check 2020 online source)

As outlined in Figure 5, the number of civil servants in South Africa increased by 47 867 in 2009–2010 and from 1 247 287 to 1 295 154 in 2018–2019. It peaked in 2012–13 with 1 327 231 employees and has been steadily declining since. In 2019, the wage bill stood at approximately R196 billion. A sobering statistic in comparison to government employment is the general unemployment rate of 33.9% Q2 in 2022, with unemployment afflicting mostly the youth (Trading Economics 2022 online source).

## Qualifications of public servants

The qualifications of public servants and the level of employment within the public service differ, depending on the data one consults. A parliamentary question on staff qualifications posed to the former Minister of Public Service and Administration, Senzo Mchunu, by the Democratic Alliance (DA) revealed the following: Of the 9 477 SMS employed in the public service, 3 301 (approximately 29%) did not have the minimum qualifications required for the position that they held. Furthermore, the former Minister indicated that at a provincial level, of the 4 028 managers employed, 1 314 (approximately 31%) did not have the required qualifications (Van Rensburg 2021 online source).

**Figure 6: A sample of public servant qualification in South Africa, 2013**



Source: (Government Communication and Information Service (GCIS) 2013)

Studies undertaken by the National School of Government in 2013 on a cohort group of 1 572 public servants, revealed that 37% of public servants held a degree or diploma. In turn, 49% of managers had a postgraduate degree and 32% of public servants had at least a matric qualification. This is illustrated in Figure 6:

Although many senior managers have a degree or a postgraduate qualification, there is a misalignment between the qualification held and the competency required for their current post. This is despite ongoing professional development undertaken (GCIS 2013).

## Conceptualising professionalism

Professionalism, within the context of the public sector, is not easy to define. This is attested to in the 2018 PSC Roundtable Report (2018:3), which indicated that, “There are varied definitions of professionalisation”. At the roundtable meeting in question, Sara Meny-Gibert who represented the Public Affairs Research Institute (PARI), stated that, “Professionalism means different things in different contexts”. However, what is clear is that a lack of professionalism will have detrimental consequences for public service delivery.

It is expected that public servants, by virtue of their academic background, would imbue the qualities of professionalism. The broad assumption is that public servants are aware of the public service code of conduct and will demonstrate an

understanding of the prescripts in their daily professional activities. However, this assumption is far from the reality.

A “professional public servant” has an academic qualification, has social values and, importantly, abides by the constitutional principles and values enshrined in Chapter 10 of the Constitution, 1996 (NSG Draft Framework on Professionalism 2020:44). The NSG Draft Framework on Professionalism (2020:45) goes on further to indicate that professionalism must be underpinned by the following:

- A singularity of public sector professionalism (i.e. one public service).
- Subscribing to the Public Service Charter and the *Batho Pele* principles, where the public receives services without fear or favour, a non-partisan public service.
- The public service must be seen as a career of choice, where career public servants are developed.
- Registration with professional bodies, including participating in the training regimen of those bodies (The NSG Draft Framework on Professionalism 2020:45–47).

Sami, Jusoh, Nor, Irfan, Irum, Quereshi and Ishfaq (2018:584) further define professionalism as providing organisational services in a standardised and approved conduct. Additionally, Vivanco and Delgado-Bolton (2015:2), indicate that, “The concept of professionalism arises as an articulated body made up of professional traits and skills that constitute professional work regardless of the geographical, social or cultural settings where it is carried out”. The Public Service Commission Roundtable Report (2018:3) views professionalism as “a process of organising occupations in terms of knowledge, skills, standards and codes of conduct to achieve recognition. The professionalisation process can include or exclude the formation of professional associations”.

Pugh (in Kroukamp and Cloete 2018) provides one of the most classic conceptualisations of professionalism in public administration, by outlining the following six elements that constitute professionalism:

- Self-awareness and shared attributes among a group of people (*‘esprit de corps’*).
- Professionalism based on explicit written knowledge.
- Commitment to apply the knowledge in the field.
- Strict adherence to organisational code of ethics and conduct.
- Formalised within an organisational structure.
- Formal recognition of outstanding performance (Pugh 1989 in Kroukamp & Cloete 2018:63).

UNDESA (2000:5) defines professionalism in the public sector context as, “The overall value that encompasses all other values that guide the public service”. Kroukamp and Cloete (2018:63) identify these values as loyalty, neutrality, transparency, diligence, punctuality, effectiveness and impartiality. Values relating

to professionalism are powerful qualities that reinforce individuals' professional identity as well as performance. Public sector professionalism embraces the idea that those who become part of the public sector must be instilled with shared values and trained in basic skills to professionally carry out their official duties (Kroukamp & Cloete 2018:64). In order to achieve this, management structures must be created to ensure professional ethics and competency in the public service, along with control measures to ensure adherence to professional standards.

Snizek (1972 in Kroukamp & Cloete 2018:66) asserts that Hall's professionalism scale is a commonly used instrument to measure professionalism in an organisation. The scale distinguishes between two types of professionalism, namely structural and attitudinal attributes (Hall 1968 in Chan, Chan & Scott 2007:1201). According to Chan *et al.* (2007:1201), Hall's professionalism scale provided that "structural attributes were characterised through a 'professionalisation' process" which has the following four stages:

- Creating full-time occupations
- Establishing a training school
- Forming professional associations
- Forming a code of ethics.

Attitudinal attributes of professionalism include:

- The use of the professional organisation as a main source of reference
- Belief in service to the public
- Belief in self-regulation
- A sense of calling to the profession
- Perceived autonomy in work (Hall 1968; Snizek 1972 in Chan *et al.* 2007:1201).

Brandsen, Helderma and Honingh (2010:4) explain the evolving concept of professionalism from a public management perspective and emphasise that professionalism can be understood from various perspectives. According to the authors (Brandsen *et al.* 2010:4), professionalism specialists focus on the following aspects: the idealistic aspect of professionals; the nature of work demands professionalism; and "professionalism is just the outcome of conflict and reflects an attempt of a certain group to protect themselves". Therefore, these concepts portray varying perspectives of professionalism which are normative, cultural, cognitive and a regulative perspective (Brandsen *et al.* 2010:4).

In terms of qualities, Brandsen *et al.* (2010:5) state that professionals:

- Have specialised knowledge and skills based on theoretical principles reinforced by practical experience.
- Have set values of honesty, trustworthiness and loyalty.
- Become members of small and closed groups of peers who share and regulate the same elite, technical standards, approaches, skills and experiences.

**Figure 7: Overview of professionalism in the public sector**



Source: (The NSG Draft Framework on Professionalism 2020)

- Professionals are accepted by society and allowed the discretion to regulate their own specialised standards, approaches and methods.

It is evident that the concept of professionalism is not easy to define. The NSG Draft Framework on Professionalism (2020:51) supports the notion that “professionalising the public service is a complex issue”. In order to encourage professionalism in the public sector, it is imperative that the following three elements be considered:

- Profession – knowledge, competence, exemplary conduct and adherence to a code of ethics.
- Professionalism – work ethic, discipline, qualifications and skill.
- Professionalisation – public servants committed to a single public service ethos.

This is captured in Figure 7.

## **NEXUS BETWEEN CADRE DEPLOYMENT AND PROFESSIONALISM**

The concept of cadre deployment as it relates to the appointment of staff within the public service has its roots in military history. Cadres are generally deployed to promote the interests of a specific interest group. In South Africa, this

interest group relates to the African National Congress (ANC). The Institute for Race Relations (in Swanepoel 2021:441) indicates that the National Democratic Revolution has to “put the levers of power of society in the hands of the ANC”.

Ndedi and Kok (2017) view cadre deployment as “appointing governing party loyalists, so that the institutions under the control of the party would report to the party rather than to the state”. Van Onslen (in Swanepoel 2021:447) indicates that cadre deployment is “economic patronage dispensed to individuals, companies and agencies by the government, not on merit but on the basis that they enjoy some party-political connection to the governing party”.

The ANC, during its 1985 National Consultative Conference, adopted the Cadre Deployment Policy which indicates that before deployment cadres must be properly briefed on the mandate of deployment. The mandate includes:

- Screening of the best equipped leaders in the organisation
- Employing a well-trained cohort of ethical leaders
- Seeking input by community members on the candidate to force accountability
- Ensuring that the cadre is ideologically schooled in the policies and principles of the ANC
- Ensuring that community service plays a key role
- Creating a corps of loyal and disciplined cadres
- Ensuring that the cadres’ behaviour is beyond reproach (i.e. a strong buy-in into the anti-corruption stance of the party) (Ndedi & Kok 2017; ANC 1985 online source).

Given the above conditions for cadre deployment, the key question remains why deployment has gone awry. One observation by Van Onslen (in Swanepoel 2017:449) is that, while a well-documented policy exists, “Cadre employment tends to be more pervasive and less formal”. In addition, Van Onslen (in Swanepoel 2017:449) indicates that, “Once the ANC had secured many of the key positions of power in the civil service, it was able to dispense economic patronage more easily. That this practice is now as tainted as it is widespread means we have a free-for-all of sorts. So, perhaps it is easy to understand why cadre employment is regularly used as a euphemism for cadre deployment – the difference being somewhat blurred in the public mind.”

In its 2012 discussion document titled *‘Organisational Renewal: Building the ANC as a movement for transformation and a strategic centre for power’*, the ANC reflects on cadre deployment and concludes that, “There is a lack of a coherent cadre policy in the current period [and] we have been deploying comrades into positions of serious responsibility and authority without adequate preparation. This is tantamount to sailing into the deep seas without a compass or giving enthusiastic activists weapons to go and carry out operations without basic military training” (ANC Organisational Renewal Discussion Paper 2012 online source).

The paper is critical of the party's ambivalence to cadre deployment as there is a lack of a coherent implementation, which undermines performance across all spheres of government and state institutions (ANC Organisational Renewal Discussion Paper 2012 online source). The lack of a coherent policy to implement and track cadre deployment and performance has led to what commentators have described as an "orgy of corruption" and unprofessional behaviour (Swanepoel 2021).

Mlambo, Zubane and Thusi (2022:18) posit that effective, efficient and economic service delivery depends on competent and skilled public officials, and not party loyalists. The employment of party loyalists without the relevant skills and competency for the positions that they hold in government institutions goes against the grain of good governance and the rule of law.

Although cadre deployment is not a uniquely South African phenomenon, its application and implementation in South Africa is contentious. Making the point that all deployed cadres are unprofessional and corrupt borders on disingenuous (Twala 2014 in Swanepoel 2021:457). What is required to deploy cadres is a strong moral commitment to serve the public without fear or favour and with distinction. The NSG Draft Framework on Professionalism 2020 is clear that a merit-based public service that is fit for purpose must be built to deliver on the promise of a "better life for all". Based on this, public servants are recruited and selected on merit and consequence management for material irregularities is implemented within a well-established code of conduct.

## **FOSTERING PROFESSIONALISM IN THE SOUTH AFRICAN PUBLIC SECTOR**

### **Ethical recruitment**

To deal with unethical conduct of public servants is expensive and time-consuming. Moreover, service delivery suffers if public servants are placed on leave. In 2021, it was estimated that 6 334 public servants were suspended pending disciplinary processes, with an approximate cost of R100 million to the taxpayer (*The Saturday Star* 6 March 2021). To ascertain the ethical foundation of candidates entering the public service, it is anticipated that recruitment processes be aligned to ethical considerations. Dutelle and Taylor (2018 in The NSG Draft Framework on Professionalism 2020) indicate that the recruitment process is underpinned by the following key questions:

- "How are the new recruits/employees tested to ensure a proper foundation in ethics-based decision making?"
- If testing is conducted, is it oral in nature, computer-based or written?

- Does there appear to be a relationship between the age of recruits/new employees and ethics violations?
- What is the size of the organisation?
- Are new recruits/employees assigned a mentor? If yes, did these employees display any incident of less/more ethics-based violations?"

The PSC Roundtable Report (2018:1) clearly states that meritocratic recruitment, especially at the senior management level, is important to support a professional public service. Moreover, countries such as Russia, Poland and the United States subject new recruits to psychometric tests to uncover the candidate's work ethic and ethical assumptions (Gilman 2005 in The NSG Draft Framework on Professionalism 2020:50).

## **Enforcing a code of ethics**

According to the PSC Roundtable Report (2018), professionalism relates to skills and competencies, values and norms, a code of conduct and meritocracy. Although a code of conduct exists for the public service, codes of ethics "are a set of principles and standards that serve as guiding norms for the behaviour of public officials. They generally include ethical values and principles that are the basis of the institution they govern, recommend conduct and normally have a juridical character inferior to that of the law" (The NSG Draft Framework on Professionalism 2020:28). Furthermore, the Organisation for Economic and Cooperative Development (OECD) Toolkit for Managing Conflict of Interests in the Public Sector (2005:32) refers to the ethics code in relation to conflict of interest. The basic code of ethics includes:

- Serving the public interest
- Transparency and accountability
- Integrity
- Legitimacy
- Fairness
- Responsiveness
- Efficiency and effectiveness.

The Constitution, 1996 and the NDP calls for high standards of professional ethics. The South African Institute of Chartered Accountants (SAICA) (2021:7) and the NSG Draft Framework on Professionalism (2020), differentiate between a 'code of conduct' and a 'code of ethics'. SAICA (2021:7) contends that, "A code of ethics and code of conduct are two separate documents, the first of which addresses an organisation's broad moral standards and the second of which instructs employees how to use those standards in their day-to-day workplace actions". It is envisaged that a code of ethics will go a long way in professionalising the South

African public sector. SAICA recommends that compulsory ethics training forms part of an induction programme and that all public servants should receive ethics training to curb unethical conduct (SAICA 2021).

## Cadre deployment

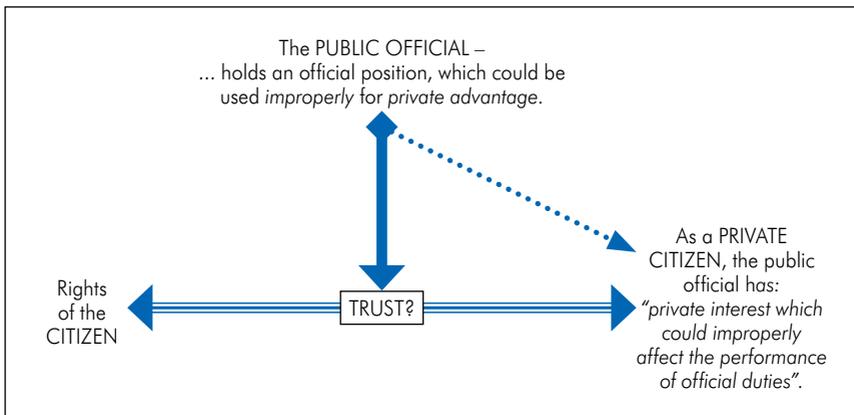
If cadres are to be deployed in critical public sector posts, it is incumbent that they are properly trained and developed in ethical service delivery (where service delivery is deemed more important than personal or party interests). If cadre deployment is to be effectively implemented, cadres need to be trained in ethics; they need to be screened; they need to embrace an ethos of serving the public without fear or favour; and they must be loyal and disciplined (Ndeni & Kok 2017). Moreover, if cadres are deployed, they need to manage their conflicts of interests by ascertaining who they serve – the political party or the citizenry.

Public trust and integrity can be eroded if cadre deployment is seen as suspicious and affects the personal realm of work of the official (see Figure 8). The erosion of public trust undermines the calling of serving the public. As such, public trust must be safe-guarded at all times and public officials need to identify conflicting situations and act in the best interest of the public.

## Developing a systematic approach to professionalism

The professionalisation of the public sector undoubtedly plays a key role in effective and efficient service delivery. In order to professionalise the public sector, a new approach that includes changing the value chain in terms of recruitment and

**Figure 8: Conflict of interest**



Source: (OECD Conflict of Interest Toolkit 2005)

**Figure 9: Proposed value chain to professionalise the public sector**



**Source:** (NSG Draft Framework on Professionalism (2020))

selection to creating career public servants has to be adopted. Figure 9 outlines the value chain of professionalising the public sector.

### ***Pre-entry recruitment and selection***

The SMS has existing pre-entry competency tests and vetting as a requirement. Additional requirements could include the introduction of compulsory public service pre-employment orientation for those who aspire to a career in the public service. Merit-based recruitment and selection, coupled with experience, especially at a middle-management level, must be considered. Furthermore, internship programmes must be strengthened (NSG Draft Framework on Professionalism 2020; PSC Roundtable Report 2018).

### ***Induction and onboarding***

The possibility of including a curriculum as part of pre-appointment will serve the public sector well. According to the PSC Roundtable Report (2018), compulsory induction programmes exist for salary levels 1–14, and an executive induction programme exists for bands 15–16. However, there is a need for occupation-specific induction and onboarding programmes (e.g., programmes for engineers and public health specialists).

### ***Planning and performance monitoring***

Current performance management systems are compliance-driven. Space should be created in performance management systems for social innovation and risk taking. The PSC Roundtable Report (2018), states that, “Appointing or promoting staff based on the knowledge and skills required for the performance of public functions, rather than on social status is essential to professionalise the public sector”.

### ***Continued learning and professional development***

The certification of staff and certain categories of staff joining professional bodies will go a long way to help professionalise the public sector. For example,

engineers could gain professional entrance to the Engineering Council of South Africa. In order to strengthen the public service, there is a need to foster partnerships between academia, professional bodies and the private sector.

### **Career progression and career incidents**

The public sector must be seen as an employer of choice, where there is an “organisational culture that provides a conducive environment for employees to work, grow and serve with distinction” (PSC Roundtable Report 2018). Allowing senior managers to serve sabbatical periods at higher education institutions, and secondments, could play a crucial role in career progression of public servants. Finally, public servants must know the consequences of unprofessional behaviour (NSG Draft Framework on Professionalism 2020).

## **CONCLUSION**

More than 25 years into democracy, the South African public sector finds itself trapped in widespread corruption and malfeasance. However, all public servants cannot be viewed as being corrupt, as many carry out their responsibilities diligently. Current trends indicate a poor level of public trust across the South African public sector, which has prompted the call to professionalise the public sector. Efforts to professionalise the public sector rest on recruiting and selecting public servants based on merit. This is given the challenges placed on public officials, especially within the senior echelons of the public service, where the gap between political appointees and administrative executives has become narrow.

Unprofessional behaviour erodes public trust and undermines the constitutional values and principles that underpin the public sector. Calls for well-trained public servants who can serve the public effectively and efficiently, have been growing over the years. The publication of the 2020 Draft Framework on Professionalism, accompanied by the NDP Chapter 13, goes a long way in addressing the gaps in professionalising the public service. The effective recruitment, selection and appointment of public officials to make the public sector a career of choice will enhance the image of the South African public sector.

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# An Exploration of the Impact of Inadequate Housing on Health in South Africa

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## ABSTRACT

Poor housing and homelessness have a detrimental impact on people's health status. This highlights the central role that adequate housing needs to play in improving health and reducing inequality. There is a growing link between addressing the South African housing crisis and the nation's health. To this end, the article explores the link between inadequate housing and people's health in general. The article entails a desktop study in terms of a literature and a documentary review of policies pertaining to housing and health, particularly in South Africa. The article distinguishes between housing, in general, with specific reference to adequate and inadequate housing. The article determined that there is a linkage between inadequate housing and health and that poor-quality and inadequate housing contribute to a variety of health problems. Based on the research findings, it is recommended that housing must be understood as a major entry point for intersectoral public health programmes and primary prevention. As such, there must be a renewed attempt to improve housing conditions.

## INTRODUCTION

Within the global context of human security and health, there is a case to be made for the role of adequate housing in both the security and development discourses. The central thesis of this article is the inadequacy of housing in South Africa and its impact on health, particularly among poor citizenry. The article focuses on inadequate housing as an environmental risk that impacts the health of the inhabitants and also the fact that measurements hereof vary from doctor-diagnosed diseases to respiratory function measurements, as recorded by researchers.

The article sets out to answer the following research questions:

- What is the linkage between inadequate housing and health in the South African context?
- How does housing inadequacy impact health in South Africa?
- How can the impact of inadequate housing on health in South Africa be addressed?

This article first provides an overview of inadequate housing in general and then relates it to South Africa. Second, factors associated with the impact of inadequate housing on health are discussed. Furthermore, the article distinguishes between the various definitions of inadequate housing. In addition, recommendations are made based on the findings to help address the impact of inadequate housing on health in South Africa. In conclusion, the article confirms the linkage between inadequate housing and health; as inadequate housing is associated with a wide range of health conditions such as respiratory diseases. This includes asthma, cardiovascular diseases, injuries, mental health and infectious diseases, including tuberculosis, influenza and diarrhoea.

## **BACKGROUND**

Housing is a basic human right. In fact, the United Nations (UN) makes it clear that everyone has the right not just to basic shelter but to “adequate housing” in terms of legal security of tenure; availability of services, materials, facilities, and infrastructure; affordability; habitability; accessibility; location and cultural adequacy (Shaw 2003). Moreover, adequate housing is one of the cornerstones of the UN 2030 Strategic Development Goals (SDGs). For many years, the housing environment has been acknowledged as a key role-player in human health. According to Jackson (2003), living and housing conditions are the basis of many factors influencing residential health. In public health terms, housing affects health in a myriad of relatively minor ways. However, collectively, these aspects form one of the key social determinants of health (Bonney 2007:217).

According to Harris and Arku (2006), there is limited research on the correlation between inadequate housing and health in Africa and beyond (Angel 2000). However, several research studies (Arku & Harris 2005:895; Brutus 2002; Chen, Sebstad & O’Connell 1999; Eddy 2010; Cloete 1997; Napier 1993; Power 1993; Rodwin 1987; Tibaijuka 2009) have found that housing inadequacy has a huge negative impact on any country and its citizens, South Africa included.

Podger (1998) states that poor living conditions lead to increased stress, social isolation, an unhealthy and unsafe environment, and increased risk of disease or injury. This is corroborated by Rehill, Armstrong and Wilkinson (2015), who

state that inadequate housing can also be the source of a wide range of physical, chemical and biological hazards. For instance, each year in the United States (US), 13.5 million non-fatal injuries occur in and around the home; 2 900 people die in house fires; 2 million people make emergency room visits for asthma; and 1 million young children have blood lead levels high enough to adversely affect their intelligence, behaviour and development (Krieger and Higgins 2002).

In Africa, failure to address housing issues has led to the continued growth of slums and poorly serviced informal settlements on the urban periphery. It is estimated that, in many African cities, between 75 and 99% of urban residents live in substandard housing. Leventhal and Newman (2015) argue that, in 2015, Africa had almost 200 million slum dwellers, which accounted for about 20% of slums around the world. Gosh (2015) notes that the situation is exacerbated by the fact that Africa is the second most populous continent, with one of the highest population growth rates in the world. The continent's population is set to rocket from 1 billion in 2015 to between 3.5 billion and 5 billion in 2100 (Harris & Arku 2006; Leventhal & Newman 2015). Moreover, African cities will have to accommodate more than 300 million new residents by 2030 (Matunhu 2008).

Like many other countries in the world, South Africa is in the throes of an unprecedented housing crisis. The country faces a growing challenge in providing all citizens with access to suitable or adequate housing. This is despite the fact that the Constitution, 1996 states that "everyone has the right to have access to adequate housing"; and that the "state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right" (Gosh 2015). According to Statistics South Africa's Household Survey (2017:111), 12.1%

(1 789 million households) of South Africa's 14.75 million households lived in informal housing in 2011. In Gauteng, 20.4% of households live in informal settlements; North West, 18.5%; and the Western Cape, 15.1%. Limpopo has the smallest percentage with 4.5% and the Eastern Cape has 6.5% (Statistics South Africa's Household Survey 2017:111). Statistics South Africa's Household Survey (2017:111) further states that a total of almost 1.3 million households have no access to piped water and as far as sanitation is concerned 8 242 924 have flush toilets, 297 847 households use bucket toilets, and 748 597 households have no toilet at all. The housing backlog is presently 2.1 million (Gerber 2018). All this helps to elucidate the magnitude of both inadequate housing and health in the country.

Homelessness and inadequate housing are widespread across the globe (PADCO 2006). Yuen (2002) maintains that about 100 million persons are homeless and more than a billion are inadequately housed. In line with this, the UN predicts that 3 billion persons will be living in slums in 2050 (Yuen 2002). This is corroborated by the World Health Organisation (WHO) (2018), which states that the quality of housing has major implications for people's health. The WHO

(2018) adds that housing in cities is of particular concern, with the world's urban population predicted to double by 2050 and, with it, the demand for housing. Undeniably, the spike in the world's urban population will lead to numerous health problems for countries across the world. In both developed and developing countries, improving housing conditions and reducing health risks in the home is therefore critically important.

People's housing is influenced by both physical and social infrastructures, which function interdependently. The physical infrastructure in which communities live consists of buildings, roads, transportation, water, air, electricity. Each of these components has the ability both to support health and to transmit toxic exposures (Tinetti, Speechley & Ginter 1988:1701). Wilkinson (1999) concurs, stating that "housing" embodies many elements, including the following aspects: physical/material (for example, location, density, building height, maintenance, air quality, sanitation, pests, hazardous exposures); social (for example, threats to safety, noise, social networks, cost); and psychological components (for example, interpersonal conflict, sense of permanence), all of which can affect the health status of individuals and communities.

According to Bonnefoy (2007:214), there is no commonly agreed upon definition of 'healthy housing', and there are major gaps in the knowledge on how housing conditions may affect health. Epidemiological findings suggest strong associations between housing conditions and health (Hargreaves, Boccia, Carlton, Evans, Adato, Petticrew, John & Porter 2011:654). In Krieger and Higgins' (2002) view, there is overwhelming evidence that housing has a positive social impact (including health). In line with this, an increasing body of evidence has associated housing quality with morbidity from infectious diseases, chronic illnesses, injuries, poor nutrition, and mental disorders (Krieger & Higgins 2002). However, Virginia, Raugh, Philip, Landrigan and Luz (2008:277) argue that, while the importance of adequate housing, health and well-being has long been a topic of scientific and public health policy discussion, the links remain elusive.

The relationship between inadequate housing and health is multifaceted (Yuen 2002). A healthy home needs to have a sound structure; be free of hazards; provide adequate facilities for sleeping, personal hygiene, the preparation and storage of food; provide a comfortable living environment; and provide facilities for social interaction (Wilkinson, Close & Crabbe 2016). One's residential environment also influences fear of crime and access to local services and facilities.

## **CONCEPTUALISING INADEQUATE HOUSING**

A number of definitions are associated with inadequate housing, as outlined in Table 1.

**Table 1: Definitions of inadequate housing**

| Author/s                                   | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            | Inadequate housing is:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Rodgers (2001)                             | housing where health, hygiene, comfort and privacy, functional and adequate physical, social and spiritual conditions are not provided.                                                                                                                                                                                                                                                                                                                                                                   |
| Lonakimidis and Dominelli (2016: 437)      | the gap between self-reported availability and importance of specific interior features.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Raymond, Wheeler, and Jean-Brown (2011:21) | defined as an occupied housing unit that has moderate or severe physical problems, for example, deficiencies in plumbing, heating, electricity, hallways, and upkeep.                                                                                                                                                                                                                                                                                                                                     |
| Bonnefoy (2007:214)                        | housing without:<br>adequate privacy; adequate space; physical accessibility; adequate security; security of tenure; structural stability and durability; adequate lighting, heating and ventilation; adequate basic infrastructure, such as water supply, sanitation and waste-management facilities; suitable environmental quality and health-related factors; and adequate and accessible location with regard to work and basic facilities (all of which should be available at an affordable cost). |
| Housing Delivery in South Africa (2014:2)  | shelter that is not just a roof over one's head but lacks adequate privacy; adequate space; physical accessibility; adequate security; security of tenure; structural stability and durability; adequate lighting, heating and ventilation; adequate basic infrastructure, such as water supply, sanitation and health-related factors; and adequate and accessible location with regard to work and basic facilities: all of which should be available at an affordable cost.                            |
| Habitat and ILO (1995:2)                   | a form of shelter which lacks adequate privacy, space, security, lighting and ventilation, basic infrastructure and location with regard to work and basic facilities.                                                                                                                                                                                                                                                                                                                                    |
| Bhandari and Wagner (2006:18)              | housing that is deficient in quality of basic services, materials, facilities and infrastructure; habitability; affordability; accessibility; legal security of tenure; and location and cultural adequacy.                                                                                                                                                                                                                                                                                               |
| UN-Habitat (2014)                          | housing with physical inadequacies which relate to plumbing, heating, electricity, and upkeep, and lack of a flushable toilet and electricity.                                                                                                                                                                                                                                                                                                                                                            |
| Wilkinson <i>et al.</i> (2016)             | housing that is in poor condition or situated in a high-density area exhibiting the following characteristics: overcrowding; poor ventilation; poor sanitation; high traffic; a local industry neighbourhood; and poor access to shops and facilities.                                                                                                                                                                                                                                                    |
| United Nations (2012)                      | overcrowded, high-density, poorly ventilated, damp, unclean housing, with limited access to clean water and a haphazard system of waste and water disposal and that is too cold or too hot for comfortable and healthy living.                                                                                                                                                                                                                                                                            |

Source: (Author's own construction)

While there are some variances across the foregoing definitions depending on context, there is general consensus that inadequate housing not only refers to “a roof over one’s head”. In reality, housing should enhance inhabitants’ social, psychological and sociological status (Ajayi 2012; Coley, Leventhal, Lynch & Kull 2013:1775).

## **RELATIONSHIP BETWEEN HOUSING AND HEALTH**

The relationship between substandard housing and ill health is difficult to prove and is linked to methodological problems in designing and conducting appropriate research (see Dunn & Hayes 2000:563; Wilkinson 1999). Regardless, Lawrence (2000) argues there is a lack of research on the link between housing and health and well-being in the context of current urbanisation trends. Likewise, in South Africa, there is a growing need to determine the link between tackling the South African housing crisis and the nation’s health (South Africa Year Book 2017/18:347).

Good housing is the cornerstone on which individuals and families build a better quality of life and gain greater independence. In contrast, homelessness and poor housing have a far-reaching impact on socio-economic conditions. The health effects of poor housing disproportionately affect vulnerable people: older people, children, those without a support network and people with disabilities.

Housing is fundamental to physical, mental and social well-being and quality of life (WHO 2018:127). Rehil (2015) concurs that housing is key to improved health and well-being. However, in terms of infrastructure, people who live in informal settlements are exposed to substandard living conditions (Malik & Wahid 2014:88). Indoor air quality, home safety, noise, humidity and mould growth, indoor temperatures, asbestos, lead, radon, volatile organic compounds (VOC), lack of hygiene and sanitation equipment, and overcrowding are some of the most relevant possible health risks. In addition to physical repercussions, mental, and social health is affected by living conditions. Furthermore, the immediate housing and surrounding environment can either support or limit the physical, mental, and social well-being of the residents. Although such impacts are broadly accepted, the concrete relationship between environmental quality and health/well-being has thus far not been fully understood (Bonney 2007:411).

## **IMPACT OF INADEQUATE HOUSING ON HEALTH**

Inadequate housing has both a direct and indirect impact on individuals’ health. Direct influences include the effect of the physical conditions of housing on physical health and the effect of social conditions on mental health and well-being. Inadequate housing has an indirect influence on health, at both the individual and

community level. Within this context, it is an important component of individuals' general socio-economic circumstances and also influences access to services (Shaw 2003:408). These interrelated mechanisms are generally associated with other negative social and economic influences, as depicted in Table 2.

**Table 2: Direct and indirect ways in which housing can affect health**

|                                    | Direct                                                       | Indirect                                           |                                                                                    |
|------------------------------------|--------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------------------|
|                                    | Individual/household level                                   |                                                    | Area level                                                                         |
| Hard/physical/<br>material effects | Damp, cold, heat, mould, homelessness, crowding              | Indicator (and part of SES-income, wealth)         | Availability of services facilities; features of the natural and built environment |
|                                    |                                                              | Proximity to services, facilities                  |                                                                                    |
| Soft/social/<br>meaningful effects | Effect of poor housing, insecurity and debt on mental health | Household and area culture and behaviours          |                                                                                    |
|                                    | Feeling of 'home', social status, and ontological security   | Community, social capital and social fragmentation |                                                                                    |

Source: (Shaw 2003)

Substandard (inadequate) housing is a major public health issue. Bonnefoy (2007:411) states that, for many years, the housing environment has been acknowledged as one of the main settings that affects human health. This is also in line with Jackson's (2003) view that living, and housing conditions are the basis of many factors influencing residential health. Epidemiological findings suggest strong associations between housing conditions and health effects. Within this context, housing is seen as a key factor influencing mental health, sleep quality, indoor air, home safety, accessibility, obesity, mould growth, hydrothermal conditions and energy consumption, perception of crime, and inadequate housing (Bonnefoy 2007:411).

Wilkinson *et al.* (2016) argue that the health problems faced by communities with inadequate housing, especially in informal settlements, can be broadly grouped into three interrelated categories:

- **Lifestyle-related diseases resulting from poor nutrition, lack of exercise and emotional stress:** Researchers have pointed out that a high level of household

crowding can produce stress leading to illness and that congestion ensures easy transmission of communicable diseases (Austin, Furr and Spine 2002:425; Wilkinson, Armstrong and Landon 2001:24). The lack of reliable and safe power supplies is also a barrier to good health in a number of ways – exposure to excessive cold or heat, and lack of hot water for washing, a safe fuel source for cooking, and good lighting for a range of domestic activities, including studying.

- **Problems resulting from social disruption and despair:** Structural deficiencies can limit privacy, interfere with personal hygiene behaviours and increase social stresses.
- **Infectious and other diseases:** Inadequate water supply, washing facilities, sanitation and overcrowding, as well as non-existent or substandard sewerage infrastructure remain a continuous challenge. Failure to dispose safely of human faeces contributes to high rates of gastroenteritis and parasitic conditions, which cause malnutrition and poor immunity (Bhandari & Wagner 2006:17). Structural deficiencies present risk of injury and exposure to heat, cold, dust and insects. These exposures increase risks of heart, respiratory, eye and insect-borne diseases and skin infections. The invasion of the home by harmful insects and pests is a direct threat to health, as pests can function as carriers of pathogens, diverse diseases, and allergens (Bonney 2007).

In inadequate housing set-ups, community power supplies are subject to relatively frequent interruptions, and the use of power by many households is limited by lack of funds for purchasing electricity. Illegal power connections are also rife. These kill residents through electric shocks and at times burn down shelters resulting in loss of life and property.

Bonney (2007) and Kersten *et al.* (2014:2230) agree that the quality of housing conditions plays a decisive role in the health status of the residents. Many health problems are either directly or indirectly related to the building itself because of the construction materials that were used, and the equipment installed, or the size or design of the individual dwellings. According to Austin *et al.* (2002:419), available studies on housing and health have singled out features of the housing environment that pose serious direct or indirect threats to the physical and mental health of people. The most important of these are overcrowding, location, tenure and housing conditions (UN-Habitat 2010).

Representing the spatial point of reference for each individual, the home also has a broad influence on the psychosocial and mental well-being by providing the basis for place attachment and identity as well as a last refuge from daily life. Inadequate, poor-quality housing, providing insufficient protection from the elements, from noise, from scrutiny and intrusion can be the source of major suffering. Such events may generate pathological manifestations such as anxiety,

depression, insomnia and social dysfunction (Austin *et al.* 2002:421). Bad circumstances in neighbourhood relations generate social pathologies: aggressiveness, violence, vandalism, depression, anxiety, somatic complaints and even paranoid feelings and ideas (Wilkinson, Armstrong & Landon 2001).

According to Shaw (2003:402), in extreme conditions, inadequate housing is related to hypothermia, and in certain populations, severe overcrowding has been related to the prevalence of tuberculosis. Shaw (2003:403) further states that homes that are damp, which can often result from condensation due to inadequate ventilation, allow the growth of mould, fungi, and other micro-organisms. Dampness and mould have been associated with the symptoms of wheezing, aches and pains, “nerves,” diarrhoea, headaches and fever (especially in children) (Dales, Zwanenburg, Burnett & Franklin 1991:196).

Austin *et al.* (2002:420) state that there is increasing evidence that mould growth in damp shelters is an important risk factor for respiratory illnesses. Mould-related symptoms are likely as a result of irritations of the throat and eyes, allergies (most frequently allergic rhinitis), lower respiratory symptoms (dry or productive cough, wheeze), and asthma, as well as increased incidence of respiratory infections (Bonney 2007).

## **THE IMPACT OF INADEQUATE HOUSING ON HEALTH**

The impact of inadequate housing is associated with a wide range of factors and health effects. According to extensive research (Bonney 2007; Braveman, Dekker, Egerter, Sadegh-Nobari & Pollack 2011; Close & Crabbe 2016; Gibson 2011; Gosh 2015; UN-Habitat 2010; Wilkinson *et al.* 2016; WHO 2018), including:

### **Infectious diseases**

Inadequate housing may include a contaminated water supply, poor waste disposal, and insect and rodent infestation, all of which can contribute to the spread of infectious diseases. Crowding of tenants in housing units also facilitates the transfer of diseases between people. Tuberculosis and respiratory infections are not uncommon in such kinds of living set-ups.

### **Respiratory diseases**

The main health outcome shown to be related to housing is that of respiratory health, measured by the presence of respiratory disease or by lung function. The primary factors are considered to be cold (temperature) and damp (humidity); air movement (ventilation), although many studies in this field tend to consider

them as separate phenomena. Homes that are damp, which can often result from condensation due to inadequate ventilation, allow the growth of mould, fungi, and other micro-organisms.

## **Chronic illnesses**

Indoor air quality and exposure to dampness are contributors to asthma and other allergic reactions, particularly among children. This causes respiratory diseases (Huchzermeyer 2011). Indoor air pollution is affected by inorganic sources, for example, carpeting, floor covering, and heating. Paint used in homes may be contaminated with lead, which contributes to neurodevelopment problems in children.

## **Overcrowding**

Overcrowding is one of the many tangible impacts of the housing crisis on households across the country. Children living in overcrowded homes are up to 10 times more likely to contract meningitis and three times more likely to have respiratory problems. Over a lifetime, overcrowded homes have been linked with slow growth in children which correlates with an increased risk of heart disease as an adult (Harvey 2000).

## **Cold**

Exposure to extreme cold, both acute and chronic, is known to raise blood pressure and serum cholesterol; acute responses to cold can trigger myocardial infarction. Both climate and housing quality are independent predictors of lung function.

## **Dampness and mould**

Dampness and mould have repeatedly been linked to respiratory symptoms, nausea, vomiting, allergies and asthma and also secondary symptoms like wheezing, aches and pains, diarrhea, headaches, and fever; children are particularly affected. Research found people with asthma were twice as likely to live in homes with damp. Damp problems are most common in informal settlements located along valleys and riverbeds (Lindsell 2007).

While mould can be allergenic and cause asthma, it also provides food for dust mites, which is also an allergen. The growth of mites depends on temperature and humidity, as well as the presence and cleanliness of soft furnishings. Humidity in the dwelling can cause condensation, which encourages the

growth of fungal spores. Other allergenic triggers and irritants include pets, cockroaches, rodents, dust, and toxic/hazardous chemicals. Interpretation of the epidemiological evidence about the health effects of damp and mould is made more complex because damp and mould tend to be worst in overcrowded dwellings, often occupied by families of low socio-economic status (Close and Crabbe 2016).

## Poisoning

Another set of effects of housing on health can broadly be defined as poisoning. The use of lead pipes for the domestic water supply have been linked to impaired neurological development in children and exposure to lead can also produce cognitive and behavioural effects. Lead paint can also be a source of toxicity.

Carbon monoxide is another potential poison. It can be produced by incomplete fuel combustion, from incorrect installation of heating and cooking appliances, poor ventilation, and the use of cooking stoves (paraffin, coal, gas) for heating. Carbon monoxide is extremely toxic and can lead to fatal poisoning. In lower doses, it can have a number of effects including headaches, nausea, dizziness, and convulsions.

Another threat to health associated with housing, which also falls under the broad category of poisoning, is the presence of environmental tobacco smoke which also potentially affects respiratory health, most notably in terms of asthma and lung cancer. Exposure to environmental tobacco smoke is not a feature of housing per se. However, some housing conditions and situations exacerbate this, such as not having a garden or terrace for a smoker to (potentially) retreat to, poor ventilation, few rooms, and overcrowding.

## Radon

Indoor air pollution, natural or man-made, can also be seen as a form of toxin within the home. The presence of radon is one such naturally occurring source; it readily diffuses through air, is soluble in water and it can accumulate inside shelters. Exposure is contingent upon the geographical characteristics of where homes are built. Moreover, exposure varies according to housing characteristics: ventilation, heating/cooling rates, water use, and occupancy behaviours. The health hazards are well characterised and result from the short-lived, chemically reactive isotopes of polonium, lead, and bismuth. When inhaled or formed inside the lungs, these isotopes increase the risk of lung cancer. Radon is thought to be the most important risk factor for lung cancer second to smoking. Other malignancies resulting from these exposures may include leukemia (acute lymphatic leukemia in children) and skin cancer.

## Injuries

The link between housing quality and risk of injuries is well established. Substandard housing has been associated with increased risk of injuries, such as falls and burns. The common attributes of poor housing include “exposed heating sources, unprotected upper-story windows and low sill heights, slippery surfaces, breakable window glass in sites with a high likelihood of contact, and poorly designed stairs with inadequate lighting” (Krieger & Higgins 2002:759).

Another category of injuries closely related to the type and condition of housing is caused by fires in the home. The prevalence of fires is related to the materials used to construct the home. Injuries as a general category and injuries and deaths due to house fires have been linked to poor socio-economic conditions (Bauer 2010). Much of this is likely to be explained by the type, quality, and condition of the housing in which different groups of people can afford to live.

## Indirect impact

Affordability of housing, flooding and neighbourhoods present indirect impacts to health relative to inadequate housing (Phago 2010:88).

## Affordability of housing

In addition to traditional risk factors associated with a dwelling, it should also be remembered that the home is one of the major areas of financial expenditure for families (Bonney 2007). The lack of affordable housing and the threat to many families of losing their home because of debt has become an increasing problem. This state of affairs often has substantial negative bearings on mental and sometimes physical health (Raymond *et al.* 2011).

## Flooding

Climate change manifests itself in, among other things, storm occurrence and flooding (UN-Habitat 2010). This problem is further compounded by rapid urbanisation and the limited capacity of urban local authorities to address this issue. For example, most of the informal settlements lack storm water drainage channels that are designed and built to engineering standards (Meth 2016:402). The lack of storm water drainage channels in settlements that are rapidly densifying is a major cause of flooding (Braveman *et al.* 2011). This is because as densification increases, water run-off from the roofs of shelters alters the urban land cover and land surface, including blocking existing natural storm water drains. Poor solid

waste management in the settlements further complicates the problem. According to the WHO (2018), the health risks associated with flooding are:

- Physical risks, from drowning and injury due to floodwaters, as well as unstable buildings and debris;
- Mental health aspects from being displaced, loss of property, possessions, despair, loss of community;
- Contamination of water supplies, due to surface or groundwater flooding, by sewage;
- Lack of drinking water, mains supply and services, e.g., electricity and gas supplies being cut off;
- Disrupted access to services, e.g., transport, community services, schools, health services, postal deliveries, etc.;
- Carbon monoxide poisoning, due to the use of standby generators in unventilated spaces, or heaters used to dry out property or effects; and
- Increased risk of infectious diseases, especially water-borne diseases like cholera, gastrointestinal diseases and from overcrowding and lack of fresh water supplies.

## Neighbourhoods

Neighbourhoods or the environments around residential areas are widely acknowledged to be important social determinants of health. A neighbourhood's characteristics may promote health by providing places for children to play and for adults to exercise that are free from crime, violence and pollution (Doshi and Ranganathan 2016). Access to grocery stores selling fresh produce, as well as having fewer neighbourhood liquor and convenience stores and fast-food outlets, promote healthy living. Social and economic conditions in neighbourhoods may improve health by providing employment opportunities and public resources including efficient transportation, an effective police force and good schools (Braveman *et al.* 2011).

In light of the above, the chances of dying before age 65 for men are 35% higher for those in inadequate housing compared to adequate housing, widening to 62%; the equivalent gap for women is 44% (Close & Crabbe 2016). This polarisation is likely to have been produced in part by 'revisualisation', whereby a decline in the availability of adequate housing means that those who are housed in inadequate housing are the neediest and most sick in society (Taylor 2018).

## POLICY IMPLICATIONS

The impact of housing on health in general and its inadequacy in particular is now being widely considered by policymakers (Taylor 2018). Housing is one of

the most important social determinants of health. Selected housing interventions for low-income people have been found to improve health outcomes and decrease healthcare costs. As a result, many healthcare systems and government entities are seeking solutions to ensure efficient policies (Taylor 2018).

Poor housing has been used both as an indicator of poverty and as a target for interventions to improve public health and reduce inequalities in health. Although housing still has a prime place on the health inequalities agenda, it also has wider importance because small health effects can have a large impact at the population level (Gibson 2011:175). Undeniably, this should play a key role in policymaking.

Policymakers are also increasingly interested in measuring the health effects of social interventions (such as social housing) and in gathering evidence to shape policy. Williams and Collins (2001:404) state that much of the research investigating the links between housing and health has been cross-sectional and these studies have shown strong independent associations between housing conditions and health. However, results of studies in small areas are difficult to generalise to other contexts. Observational studies have also shown strong independent associations between poor housing and poor health, but their results remain open to debate and interpretation (Gibson 2011:175).

Inadequately housed neighbourhoods' social characteristics including measures of segregation, crime, and social capital also play a role in the policymaking landscape. According to Williams and Collins (2001:406), sociologists have conducted crucial research that describes the health impacts of social and institutional dynamics on communities. It was found that segregation widens health disparities by determining access to schools, jobs, and healthcare; influencing health behaviour; and increasing crime rates in some neighbourhoods. Although evidence suggests that racial segregation has a negative impact on health, some researchers have reported health-protective effects among clustered black neighbourhoods (Williams & Collins 2001:405) like in Alexandra in Gauteng, Mitchells Plain in the Western Cape and others. These provide greater potential to housing and health policymakers.

## **FINDINGS AND RECOMMENDATIONS**

The article revealed that there is a link between inadequate housing and health. It was found that poor quality and inadequate housing contribute to health problems such as chronic diseases and injuries, increased stress and related adverse health outcomes and can have harmful effects on childhood development. The article also found that the design and quality of housing structures can pose numerous health risks by way of exposure to extremes of heat and cold; insect

and pest infestations; toxic paints and glues, and dampness and mould and also that household cooking and heating systems can generate indoor smoke that is a source of cardiovascular and respiratory health risks, as well as cancer (Taylor 2018). This assertion is corroborated by Krieger and Higgins (2002:759), who state that there is strong evidence characterising housing's relationship to health. The authors add that housing stability, quality, safety, and affordability all affect health outcomes, as do physical and social characteristics of neighbourhoods (Krieger & Higgins 2002:759).

In order to address the impact of inadequate housing on health in South Africa, the author recommends that the idea of housing must be understood as a major entry point for intersectoral public health programmes and primary prevention and therefore they should work vigorously towards the improvement of housing conditions. According to the WHO (2018), improved housing conditions can save lives, reduce disease, increase quality of life, reduce poverty, help mitigate climate change and contribute to the achievement of a number of SDGs, including those addressing health and sustainable cities.

## **SUMMARY**

This article explored the impact of inadequate housing on health in South Africa. Research findings suggest that there is a link between inadequate housing and health. It also explored several definitions that are attached to the concept of inadequate housing. What emerged prominently is that inadequate housing not only refers to the lack of adequate shelter, but also pertains to people's social well-being. Furthermore, it was found that the relationship between housing and health is multifaceted. From this perspective, housing that people live in and the environment in which that housing is located is considered in physical, social, and cultural terms. Factors associated with the impact of inadequate housing on health, as well as policy imperatives were also considered.

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# Critical Considerations for Effective Discipline Management in the Public Sector

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## ABSTRACT

The article focuses on the workplace practices of effective discipline management in public sector institutions. Discipline is the responsibility and function of managers who must ensure fair and consistent application of these procedures and processes to prevent arbitrary and discriminatory actions by managers towards employees. The article is based on a desktop method and applies unobtrusive methods (conceptual and documentary analysis) as main methodological instruments. The documentary analysis is underpinned by the Disciplinary Code and Procedures of the Department of Public Service and Administration (DPSA) and the Code of Good Practice of the Labour Relations Act 66 of 1995 (LRA) which requires departments to develop disciplinary codes which outline the procedures and processes for disciplinary action. Despite these codes and procedures, the authors generally find non-compliance with these disciplinary frameworks in finalising disciplinary cases within the prescribed time frame. The article provides conceptual clarifications of related terms and highlights practices, principles, measures, forms and other crucial considerations of effective discipline management.

## INTRODUCTION

Bester (2019:62) states that the relationship between an employer and employee is based on mutual benefits and respect. Clear rules and guidelines ensure that friction and misunderstandings are limited, which in turn promotes productivity and a positive work environment. Bester (2019:62), implies that the work environment has a direct impact on discipline and requires proper management.

Maintaining discipline in the workplace, according to Lemmer (2017:26), is crucial to achieve productivity and a positive working environment. Just as an employee has rights, the employer has the right to take action against an employee who contravenes the employer's rules, policies, or procedures. In addition, Small (2017:28) states that misconduct in the workplace can vary from minor to serious offences. Employers are required to have a disciplinary code in place that lists offences, as well as appropriate sanctions. For Small (2017:28) disciplinary procedures and processes must be in place to ensure effective management.

Historically, according to Jones and Saundry (2012:253–254), the rules governing discipline in the workplace are a product of negotiation. Disciplinary outcomes and processes have a biased approach towards management. There is little discussion on the interaction between operational managers and human resource management to deal with disciplinary issues. The belief is that operational managers do not favour the prescribed disciplinary procedure, but instead rely on gut feelings, or instincts. Jones and Saundry (2012:254) further emphasise that managers make disciplinary decisions based on various factors, which are influenced by perceptions. First, it is influenced by the personal employment relationship between managers and staff members. Managers may prioritise a specific aspect of the employee, like treating long serving employees with leniency. Second, line managers perceive the use of formal procedure as not providing an opportunity for flexibility to address operational requirements for the workflow. Third, discipline is influenced by the abilities of the manager and the position they hold in the organisation. Mothiba, Malema, Mamogobo, and Bopape (2015:439) agree, and conclude that operational managers become less concerned with personnel matters. The formal disciplinary process is considered to be intimidating and cause a lack of confidence. The contributing factors are the lack of proper capacity building to stand for their decisions against legal challenges.

According to Lavenant (2010:22), employees should be disciplined for violating established work rules or performance standards or engaging in harmful conduct. Failure to apply disciplinary measures has an adverse effect on the organisation, and discipline assists with the achievement of mission and goals. Jones and Saundry (2012:252–253) state that recent developments entrust operational managers with the decision-making responsibility of managing discipline. Botha, Schultz, and Bezuidenhout (2018:5) agree that labour relations practitioners, in

accordance with the rules, provide expertise and advisory support to avoid adverse litigation outcomes. The mutual understanding between human resource and labour relations practitioners has a positive impact of shaping disciplinary rules and policy.

Redelinguys (2017:31) observes that organisations must adopt disciplinary codes which outline the rules and procedures for managing discipline. The type of transgression and the seriousness of the misconduct determine the form of discipline which the managers should consider when taking action against the accused employee. Jones and Saundry (2012:253–254) maintain that discipline is a management function which regulates employee behaviour.

In this article, the most notable concepts that are delineated to clarify discipline management are disciplinary procedures, the disciplinary process, the disciplinary hearing, and the disciplinary outcome. The article then highlights the practices of discipline management. It pays attention to the principles concerning effective discipline management in terms of the following aspects: the objective management of discipline; consistency in the application of discipline; uniformity in discipline management and adherence to the rules. The measures of discipline management are then explained. These are steps that are considered in dealing with reported disciplinary cases and include progressive measures, disciplinary measures, precautionary measures, and measures for investigation.

This article then focuses on the forms of disciplinary processes in terms of informal and formal disciplinary processes. This discussion is followed by certain general considerations in terms of discipline management, for example, considering the impartiality of the chairperson, disciplinary action against a trade union representative, misconduct outside the workplace and the performance standards for discipline management.

## CONCEPTUAL DELINEATION

Various concepts are involved in the management of discipline in the workplace to encapsulate the procedures and processes involved when dealing with employee misconduct. The most notable concepts entail disciplinary procedures, disciplinary processes, the disciplinary hearing, and the disciplinary outcome.

The **'disciplinary procedures'** are outlined in the form of a disciplinary code, which is a product of collective bargaining and a mutually concluded agreement (Odendaal 2016:76). Such a code prescribes the time frames, to deal with discipline expeditiously. It serves as a guide on how to accomplish the legal requirements of disciplinary procedures (Makhuzeni, Barkhuizen and Maubane 2015:648). When the employee is charged with misconduct, the employer should notify the accused of the allegations (Burke and Cooper 2016:37). The

employee should be allowed to state a case in response to the allegations. The employee should be entitled to a reasonable time to prepare the response and to enlist the assistance of a trade union representative or fellow employee. After the inquiry, the employer should communicate the decision taken, and preferably furnish the employee with written notification of that decision (LRA 1995:312). Discipline against a trade union representative or an employee who is an office bearer or official of a trade union should not be instituted without first informing and consulting the trade union (Venter 2017:1). For Makhuzeni, Barkhuizen, and Maubane (2015:648) the disciplinary procedure is a legal requirement for the successful conclusion of hearings. The disciplinary procedure precedes the disciplinary process, which verifies and ticks the boxes to ensure that all actions are observed to the end (Lemmer 2017:26).

The **'disciplinary process'** is a critical checklist to demonstrate if there is a need for the employer to embark on disciplinary action (Lemmer 2017:26). There are elements of a disciplinary process which have to be considered in order to sustain discipline in the organisation. First, it is required that standard rules and norms are developed in the form of a disciplinary code. The performance, behaviour, and conduct of employees must be monitored and measured against the set standards. Corrective measures must be set and applied where employees fail to meet the performance standard, which may include invoking disciplinary action. Lastly, the employer must determine whether the corrective measures yield the desired outcome and if there is an improvement in the level of performance (Nel, Kirsten, Swanepoel, Erasmus and Poisat 2012:288).

The **'disciplinary hearing'** affords parties an opportunity to state their case. Parties involved in the disciplinary hearing are the employer, employee, and the chairperson. The chairperson should be impartial when conducting the proceedings of the disciplinary hearing and in issuing a verdict of guilty or not guilty. The employer must prepare and lead evidence. In preparing for the disciplinary hearing, the employer must formulate charges, appoint the employer representative and chairperson, prepare relevant evidence, cross-examine the employee, and prepare closing arguments and aggravating factors to support the sanction (Small 2017:28). In defence, the employee must prepare counter arguments and evidence to prove the contrary, cross-examine the employer's witnesses, and prepare closing arguments and mitigating factors. During the disciplinary hearing, the chairperson can make a decision based only on the evidence presented at the hearing (Redelinghuys 2017:31).

The **'disciplinary outcome'** is the decision pronounced by the chairperson. The decision of the chairperson binds the employer (Finnemore 2013:250–252). The penalty should be applied consistently in the same or a similar way in which it has been applied to the same and other employees in the past who committed similar misconduct (Finnemore 2013:250–252). Notwithstanding the fact that

each case must be treated on its merits, similar acts of misconduct warrant the same disciplinary outcome and sanction (LRA 1995).

## **PRACTICES OF DISCIPLINE MANAGEMENT**

The Code of Good Practice of the LRA (LRA 1995:310–311) requires departments to develop disciplinary codes which outline the procedures and processes for disciplinary action. According to the Disciplinary Code and Procedures of the DPSA (in Public Service Coordinating Bargaining Council (PSCBC) 2003:3), the administrator must comply with the laid down processes when dealing with disciplinary cases. The charges must clearly indicate the rules and policies which were contravened by the employee as listed in the Code; however, the list is not exhaustive. The contemplated disciplinary action must be on the premise of an act of misconduct which is made known to the employees. Redelinghuys (2017:31) agrees, stating that the Disciplinary Code is necessary to ensure clear rules in the workplace with appropriate sanctions. The Code provides clarity that if these rules are broken; the employer can apply progressive discipline, or in cases of severe misconduct, proceed directly to a disciplinary hearing.

According to Bugdol (2018:201), the general objective of discipline is not only to minimise the number of employees breaching discipline rules or the number of unethical behaviour manifestations, but first of all to improve the quality of life in the workplace and increase employee satisfaction. Mosito and Molapo (2015:93) state that the main objectives of the Disciplinary Code are to correct any unacceptable behaviour, not necessarily be punitive, deal with the matter as quickly and at the lowest level of management as possible, and ensure consistency and effectiveness in the application of discipline within the public service.

Mantzaris (2017:98) states that anti-corruption agencies are the main source of discipline within the public service since they possess investigatory and sanctioning powers. Davids and Waghid (2018 in Shabangu 2022) argue that power is everywhere, as it infiltrates and diffuses society which makes it a major source of discipline and compliance. Modiba (2019:12537) suggests that the effective functioning of an organisation is dependent on the complementary factors of determination, will-power, and discipline.

Mello (2013:232) states that discipline is a system of rules used to maintain control or order over people. Discipline in the public sector context is defined as the behavioural pattern of a public official, which coincides with the presentations of laws, regulations, or other statutory stipulations. This behaviour is normally referred to as conduct. Motseke (2020:26) regards it as the responsibility of the employer to manage discipline in the workplace. Discipline remains the primary responsibility of the manager who is the immediate supervisor of the

employee. Small (2017:45) refers to the role of the employee relations office, which is to provide an advisory and facilitation role in finalising disciplinary cases and resolving grievances. Failure to maintain discipline results in a chaotic working environment. Institutions in the public sector must all adopt and be guided by the disciplinary code, which is a product of collective bargaining. According to Lavenant (2010:22), discipline in the workplace resolves disputes, builds good behaviour, and ensures consistency. Jones and Saundry (2012:252) place discipline and the application of rules at the centre of the employment relationship.

The disciplinary process in the workplace is influenced by the behaviour of employees (Webster 2013:32). The behavioural aspect has an element of ethical conduct, which is subject to a disciplinary process. The employer, in an attempt to address this challenge, develops the set of standard rules that determines the acceptable level of employee conduct in the workplace. Failure to adhere to the rules amounts to an act of misconduct (LRA, 1995:310–311). The LRA (LRA 1995:311–312) requires that acts of misconduct be categorised into serious and less serious offences. Behaviour that is classified as serious misconduct and results in a finding of guilty is dismissible. Plasket (2020 in Shabangu 2022) suggests that notwithstanding the behaviour and the outcome thereof, the disciplinary process must adhere to the principle of fairness in both the reason for charging the employee and the procedure that is used.

## **PRINCIPLES CONCERNING EFFECTIVE DISCIPLINE MANAGEMENT**

The approach to effective discipline management requires objectivity and fairness at all times in terms of objective management of discipline, consistency in the application of discipline, uniformity in discipline management, and adherence to the rules.

### **Objective management of discipline**

Mello (2013:233) states that disciplinary regulations provide the right for accused employees to a fair and objective disciplinary hearing, which should be constituted by several aspects including: timely notification of the hearing details and misconduct allegations; representation at the disciplinary hearing; an opportunity to call witnesses and to be given a chance to present the case and to question any evidence; an interpreter in the case where the disciplinary hearing is conducted in a language other than that of the accused employee; a consideration of the employee's service record with the organisation and mitigating and aggravating factors; knowledge of any findings based on the evidence; and advice concerning

the penalty imposed. Bester (2019:62) agrees, stating that under no circumstances may an employer dismiss an employee without a disciplinary hearing. Mars (2017:25) confirms the need for a disciplinary hearing to be held to ensure that fair procedure, as stipulated in legislation, is followed, and that there is a substantive reason for the employee to be dismissed. This ensures that the procedures followed are fair and that there is substantive evidence bearing on the dismissal of the employee. Tshoose (2017:121) in support, states that an employee's dismissal must be procedurally and substantively fair.

According to Bester (2019:62), during a disciplinary hearing, it must be ensured that both the employer and employee are given the opportunity to state their case; a fair process is followed; there is sufficient evidence that the employee committed the offences; and if the employee is found guilty an appropriate penalty is determined. Fritz (2018:172) supports this view, stating that every individual's case must be heard, that an individual has the right to appeal to a competent forum when a fundamental right has been violated, and must be presumed innocent until proven guilty by a competent court. Diedericks (2017:657) agrees, stating that employers should comply with the requirements of substantive and procedural fairness.

## **Consistency in the application of discipline**

According to Lavenant (2010:23), the organisation is expected to impose the same penalty in similar situations. Employees must be aware that similar misconduct deserves the same punishment. Consistent application of discipline reduces legal claims against the organisation and minimises unemployment insurance payments. The organisation is able to review and assess the consistent violation of a rule. Yeates and Mampane (2016:47) contend that an employee who alleges inconsistency must have a basis to support such an allegation. They must for instance, provide the names of the employees involved in similar misconduct, and the circumstances of their situation. The employee must use an adequate comparison when alleging inconsistency. This means the situation must be the same or similar enough to warrant such a comparison and that the sanction must be the same.

According to Botha, Schultz, and Bezuidenhout (2018:4), consistency is a key principle that endorses fair labour practice. Diedericks (2017:659) states that dismissal of, or disciplinary steps should take place without fear, favour, or prejudice. Bester (2018:28) concurs, stating that employers should implement clear rules and follow correct procedures concerning all labour matters by acting proactively and consistently.

The public service sanctioning guidelines of the DPSA, contained in the Disciplinary Code and Procedure, are aimed at addressing inconsistency. These

guidelines serve as the toolkit for the chairpersons of disciplinary hearings in the public service. The implementation thereof ensures that employees who commit similar misconduct get the same sanction. There is acknowledgement that each case should be treated on its own merits, however, chairpersons should guard against any form of bias in the pronouncement of sanctions (DPSA 2015 in Shabangu 2022). Bester (2019:62) affirms that consistency in maintaining discipline in the workplace is important to ensure that the rules are equally applied to all employees irrespective of rank and position. Holley, Ross, and Wolters (2017:615) agree, claiming that management must administer the rules consistently for those employees who violate the rules under similar circumstances. Olivier (2019 in Shabangu 2022) concludes that management will likely have its disciplinary action reduced or eliminated by the judges if there is evidence that they are inconsistent or lax in enforcing the rule for the same misconduct on previous occasions or give different penalties to employees due to legal uncertainty.

## **Uniformity in discipline management**

The Disciplinary Code and Procedure of the DPSA constitutes a framework within which departmental policies may be developed to address appropriate circumstances, provided such policies do not deviate from the provisions of the framework. The Code applies to the employer and all employees falling within the registered scope of the PSCBC (PSCBC 2003:2). For Lavenant (2010:23) assurance must be given that the organisation adopts uniform policies and work procedures. According to Sandada and Gumbo (2016:11), training, workshops, and awareness campaigns must be conducted to ensure common understanding and participation. Any inappropriate conduct must be communicated to employees immediately and such intervention must be accordingly recorded in personnel files. De Elizalde (2018:11) highlights the different perceptions of people when uniform rules are being proposed. For example, lawyers from different backgrounds are likely to interpret and apply these rules differently, so that the same rule may have very different effects in various environments. Rules which work well in one environment, may also not be suitable in another context.

Mulaudzi and Mudzielwana (2016:7523) mention that a uniform system is a common denominator on which discussions on discipline could be based. Foncha, Ngoqo, Mafumo, and Maruma (2017:9024) confirm that discipline should be approached in a uniform and acceptable way, meaning discipline should encourage all the stakeholders to work together as a unit to agree on the rules and regulations promulgated in policies. For Smit (2013 in Shabangu 2022) a uniform system is aimed at establishing a disciplined and purposeful working environment, which enhances maintenance and quality improvement.

All employers should adopt disciplinary rules that establish the standard of conduct required of their employees. The form and content of disciplinary rules will obviously vary according to the size and nature of the employer's business. In general, a large business will require a more formal approach to discipline. An employer's rules must create certainty and consistency in the application of discipline (LRA 1995:310). According to Arroyo (2013:368), uniform rules are in no way intended to be an exhaustive regulation of the legal problems but are merely to provide a basic, largely permissive legal framework to which the parties would then be free to add in accordance with the particular requirements of each transaction. According to Stromholm (2013 in Shabangu 2022) the main problem for legislators is the difference in significance between the various forms of administrative activities. If attempts are made to establish uniform rules for the whole administration, provision must be made for exceptions.

## **Adherence to the rules**

According to Lavenant (2010:23), there are two steps required to show that the rules have been adhered to in displaying preparedness to prove the allegations. These are first, a requirement for conducting a thorough investigation and that the employee must be given an opportunity to respond to the allegations, and second, it is critical to keep all the documents safe as they support the disciplinary process and outcome. Lemmer (2014:44) affirms that clear rules and guidelines ensure that friction and misunderstandings are minimised. Visser (2020:6) states that every business should adhere to the rule of law, but complying with regulations should be made as easy as possible. Redelinghuys (2017:31) confirms the need for employers to ensure that they have basic knowledge of the rules relating to the law of evidence. These include the definition of evidence, what evidence is admissible, and what type of evidence carries the most weight in proving a case, thereby limiting liability. During the disciplinary hearing, the chairperson can make a decision based only on the evidence presented at the hearing. If the evidence is not admissible or trustworthy, it cannot be taken into account.

Objective management of discipline is described by Mello (2013:233) and Tshoose (2017:121) as acting procedurally and substantively fairly and giving an accused employee an opportunity to state their case. Lavenant (2010:23) emphasises that in this instance an organisation should ensure that similar acts of misconduct have the same outcome, to maintain consistency, notwithstanding the fact that each case has its own merits. It is critical to maintain uniformity; however, the uniform rules and standards should serve as guidelines and not be cast in stone, but allow for different interpretations (Lavenant 2010:23). Redelinghuys (2017:31), adds that the basis for disciplinary action for the contravention of a rule should be known to the employee.

## MEASURES OF DISCIPLINE MANAGEMENT

The measures of discipline management are steps that are considered in dealing with reported disciplinary cases. These measures include progressive measures, disciplinary measures, precautionary measures, and measures for investigation.

### Progressive measures

Progressive discipline specifies a series of consequences, increasing in severity over time, which encourages an employee to modify any negative behaviour, including misconduct, poor performance, violation of company policy, absenteeism, and tardiness (Shabangu 2022). According to the Disciplinary Code and Procedure (PSCBC 2003:2), the basic principle is to correct behaviour rather than to be punitive. Discipline is the responsibility and function of managers who must ensure fair and consistent application thereof. The disciplinary hearing must be conducted at the workplace. Connolly, Connolly and Feinstein (2018:148) state that corrective or progressive discipline is an essential element of fairness, and management should apply the principle even if evidence is absent that the employer had ever approved its use, either by agreement with the union, or by unilaterally instituting corrective discipline in the past.

Bester (2019:33) states that a progressive approach to discipline in the workplace considers the purpose of discipline as a measure for employees to know and understand which standards are required of them. Odendaal (2016:76) suggests that the aim with progressive discipline is an attempt to prevent a recurrence of the misconduct. Ama, Moorad and Mukhopadyay (2020:7) concur, stating that discipline relies on constructive, corrective, and positive educative practices.

According to Gilbert (2012:140), progressive discipline means that an employee is formally informed of unsatisfactory performance, what it is that makes it unsatisfactory, and what should be done by a certain date to reach a level of performance that will be satisfactory. Such progressive discipline serves several purposes. It lets the employee know clearly what is unsatisfactory about their performance, what improvement is required, and when they must reach the specified level of improvement. Baer (2015:94) states that the purpose of discipline is to correct improper conduct without being punitive. It takes the amount of punishment to get an employee's attention and correct the behaviour.

### Formal disciplinary measures

In terms of the Disciplinary Code and Procedures (PSCBC 2003:8), the chairperson of the disciplinary hearing must apply their mind and consider the prevailing circumstances. Solotoff and Kramer (2020:107) state that generally an employer can

prove the second prong of the defence if the employee unreasonably failed to utilise its complaint process. However, such proof will not establish the defence if the employee made other efforts to avoid harm. According to Theophilopoulos and De Matos Ala (2019:15), this practice allows for the exhaustion of the remedies already afforded by the Public Service Act 103 of 1994 for the appropriate body or authority to make a final decision in terms of its internal grievance procedures.

According to Meyersfeld (2020:318), formal workplace disciplinary procedures replicate courts. As is the case with judges, disciplinary procedure adjudicators will determine the veracity of a complainant's story with reference to their behaviour. On the contrary, Van der Hoven (2013 in Shabangu 2022) mentions that the disciplinary procedure does not have to be a formal inquiry, but should have some form, and should take place as soon as is practical. Van Zyl (2018:41) affirms that an employee may opt to remain silent and/or to respond to the questions in a formal hearing.

Wolf (2017:319) states that formal disciplinary measures in relation to public servants cannot be compared to adjudication. It has more to do with the right of higher public servants or the minister to give instructions to their subordinates on how they should perform their duties. Taylor (2002 in Shabangu 2022) contends that the use of formal punitive measures to improve standards of performance is unfashionable at present, and thus tends to be covered in management literature in mainly critical terms. It is seen nowadays as unavoidable, used where low trust relationships persist or where other approaches have failed. It is thus portrayed as indicative of poor or ineffective management. Applying formal disciplinary measures lowers trust and demotivates employees, leading to less commitment and higher staff turnover. Goschen and Eccleston (2012:13) affirm that disciplinary procedures should not be viewed primarily as a means of punishment or imposing sanctions, rather they should be seen as a way of helping and encouraging improvement among employees whose conduct or performance is unsatisfactory.

## **Precautionary measures**

According to the Disciplinary Code and Procedures (PSCBC 2003:6), precautionary suspension and transfer is a justifiable course of action. This kind of suspension or transfer is not punitive in nature, and employees' salary and benefits are not affected. Makhuzeni, Barkhuizen, and Maubane (2015:647) state that the time frame to conclude the investigation and convene a disciplinary hearing where the employee was transferred or suspended as a precautionary measure is 60 days. Any need to extend the precautionary transfer period or suspension is decided by the chairperson of the disciplinary hearing. Mosito and Molapo (2015:103) argue that the period of suspension is fixed for a period of three months. If no charge is preferred against the person, the suspension lapses and the *status quo ante* to the suspension must be

restored. According to Taylor (2019 in Shabangu 2022), suspension without pay or personal costs order is punitive in character. Emir (2018:354) confirms that precautionary suspension pending investigation should be with full pay in the absence of any contrary term in the contract of employment.

The notice of suspension should be given to the employee in writing before issuing the notice to attend the disciplinary hearing, or simultaneously with the issuing of the notice to attend the disciplinary hearing (Grigor 2013:4). The employee must be notified of the intention to suspend, including the extension and the reason thereof (Mosito and Molapo 2015:103). Goldberg and Wilkinson (2019:28) argue that the employer is not required to give an employee the opportunity to make representations before a precautionary suspension.

An organisation has the right to place an employee on precautionary suspension prior to conducting a disciplinary hearing (Nel 2014:5). A precautionary suspension is not a sanction, but a means of removing an employee from the workplace while the investigation and the disciplinary process are underway. Precautionary suspensions must be exercised only in instances involving serious allegations of misconduct with the possibility of the perpetrator's presence jeopardising the investigation. According to Barbieri (2015:7), any precautionary suspension should not be uplifted until the appeal process is finalised. Mosito and Molapo (2015:97) state that the employer in the public service has a prescribed period to finalise the appeal for the suspended employee. The consequence of failure to finalise the disciplinary case on time is the upliftment of suspension where it was applied. The decision to suspend an employee must be taken very carefully as the employee is likely to be uncooperative and adopt an adversarial approach (Green 2014 in Shabangu 2022). Makhuzeni, Barkhuizen, and Maubane (2015:645) affirm that justified reasons for suspension include jeopardy of the investigation and suspicion that the alleged perpetrator is likely to destroy or remove relevant documents or evidence. Allegations of misconduct must be framed in general terms at the stage of precautionary suspension. The employee must be kept abreast of the progress of the investigation.

## Measures for investigation

In terms of Section 32 of the *Constitution of the Republic of South Africa, 1996*, everyone has the right of access to any information in preparation for their disciplinary cases; and the employee has a right to any information that is held by the employer. The prescribed procedures must be followed in requesting this information for purposes of the investigation or disciplinary hearing (Constitution 1996). It is critical that the appointed investigator for a specific case should match the circumstance under which the alleged misconduct occurred (Thomson 2013:14–15). The benefit of appointing the appropriate investigator is that it eliminates elements of bias where

trust is doubtful and information is withheld. Snell (2015:27) states that the factors for consideration of a suitable investigator include the special skills required; the need for the services of an attorney for an investigation; actual or potential conflict of interest; objectivity and resistance to pressure; impartiality; and lastly, relevant experience with the ability to maximise information gathered during interviews.

An investigation is aimed at assisting the disciplinary inquiry to establish the truth as far as possible, even if that truth is exculpatory of the accused (Klatzow 2016:231). Govender (2019:31) affirms that an effective investigation requires comprehension of the principles and practices of investigation. Maqutu (2014:577) states that failure by the accused employee to assist in an investigation may justify disciplinary action.

The Code of Good Practice in the LRA of 1995, states that the employer should conduct an investigation in order to determine grounds for the charge of alleged misconduct. The investigation should not be a formal inquiry (LRA 1995:312). The level of quality in the investigation determines the validity and correctness of the action taken by the employer to discipline an employee (Thomson 2013:1–2). Small (2017:28) supports the idea that an investigation is a fact-finding exercise which is aimed at determining facts. A successful investigation relies on proper planning. Failure to adhere to the laid down procedural requirements exposes the process to unlawfulness. Fair procedure must be applied and involve an investigation, notice of the allegations of misconduct, response to allegations, reasonable time to prepare, representation, and communication of decision and outcome (Nel 2014:170). The Public Service Commission Act 46 of 1997, makes provision for the investigation of personnel administration practices. It further proposes corrective measures to ensure that discipline is managed efficiently and effectively in the public service.

For Baer (2015:94) progressive discipline should be used as an instant measure of correcting unsatisfactory behaviour in the workplace. However, punitive measures should be discouraged (Goschen and Eccleston 2012:13). Makhuzeni, Barkhuizen and Maubane (2015:645) suggest that the suspension of an employee during an investigation may be utilised, not as a form of punishment, but as a means to avoid interference. The employer should utilise qualified, trained, and skilled investigators (Thomson 2013:14).

## **FORMS OF DISCIPLINARY PROCESSES**

This section focuses on informal and formal disciplinary processes. Henry's (2015:89) study suggests that the informal disciplinary process involves the manager and employee talking about the misbehaviour. The formal disciplinary process should be a norm in dealing with complex forms of misconduct, as implied in Bester (2020:33). These aspects are dealt with below.

## **Informal disciplinary process**

An informal disciplinary process is used for less serious misconduct. There is no need for a formal hearing if circumstances allow for an informal process (Nel 2014:3–4). According to Knoetze (2014:606) the sanctions imposed in an informal hearing are progressive and should be reasonable and subject to limitations. Henry (2015:89) concurs that the informal disciplinary process is seen as indicating the nature of a purer form. Informal disciplinary practices are instituted in a joint disciplinary procedure, in which management and trade unions take responsibility jointly for disciplinary action.

The Code of Good Practice (LRA 1995:311) refers to informal discipline as concerned with corrective and graduated disciplinary measures involving warnings and counselling. Repeated similar misconduct warrants a final warning and may lead to dismissal. This practice therefore means that the employer is not obliged to take formal disciplinary measures every time employees commit an act of misconduct. Russel (2011:44) states that employees who are in breach of a relatively minor rule should be counselled to improve. The key issue is to talk to the employee as soon as the rule or standard has been breached. Acting promptly will probably save time and effort at a later stage. Moving to the formal procedure should only be done if there is no improvement after one or two informal discussions. Emir (2014:336) agrees, stating that if an allegation is so minor that it is dealt with under the informal misconduct procedure, it would be clearly wrong to dismiss an employee for gross misconduct on the same facts.

Notably, an informal disciplinary process is used for less serious misconduct (Nel 2014:3–4). There is no need for a formal hearing if circumstances allow for an informal process. The sanctions imposed in an informal hearing are progressive and should be reasonable and subject to limitations (Knoetze 2014:606). Henry (2015:89) concurs that the informal disciplinary process is seen as indicating the nature of a purer form. Informal disciplinary practices are instituted in a joint disciplinary procedure, in which management and trade unions take responsibility jointly for disciplinary action.

## **Formal disciplinary process**

According to the Code of Good Practice (LRA 1995:311), the formal approach to discipline is applicable in large institutions to ensure consistency in the application of discipline. The standard of discipline must be clear and communicated to employees. Nel (2014:3–4) states that the formal process outlines different procedural steps to be followed in instituting disciplinary action. The steps include investigation of the allegations, appointment of the departmental representative and chairperson, the issuing of the notice of the disciplinary hearing, the conducting

of the disciplinary hearing, and the pronouncement of a sanction. Mars (2017:25) agrees, confirming that to conduct the hearing, a chairperson must be appointed. They are responsible for conducting the hearing in an orderly manner to achieve a fair and objective outcome. Others present at a hearing can include the employer, the employer's representative, the employee, the employee's representative, witnesses, and a translator.

According to the Disciplinary Code and Procedure (in PSCBC 2003:3), if it is required to charge an employee with misconduct, management must assess the seriousness of the alleged act of misconduct. Consideration should be given to the actual or potential impact of the alleged misconduct on the work of the public service, the employee's department/division and colleagues, the public, the nature of the employee's work and responsibilities, and the circumstances in which the alleged misconduct took place. According to Srinivasan (2019 in Shabangu 2022), the duty of the disciplinary authority issuing the disciplinary charge sheet, is to clearly set forth the circumstances appearing against the employee. There must also be evidence; otherwise, the employee charged with misconduct may be induced to confess guilt for reasons other than actual guilt, and so may be punished based on a falsehood. In a formal disciplinary process, the facts of misconduct must be established. Formal disciplinary procedures are typically used to address situations, but the adoption of a more formal and flexible approach, including the use of mediation as part of a more sophisticated and less prescriptive strategy, is becoming more widespread and is actively encouraged (Bester 2020:33).

Maloka (2017:540) suggests that in disciplinary proceedings parties to the hearing may enter into settlement agreements to conclude cases. However, the outcome is informed by the severity of the misconduct. Lubbe (2020:198) concurs that although in all of these instances the act or conduct involved takes the form of an agreement, the consequences are different from those arising from a contractual agreement. For Maloka and Peach (2016 in Shabangu 2022), the pivotal role of labour dispute resolution institutions in sustaining an appropriate balance between the rights and interests of employers and employees, while at the same time preserving relatively healthy industrial relations with minimal resort to self-help, cannot be gainsaid.

## **GENERAL CONSIDERATIONS IN TERMS OF DISCIPLINE MANAGEMENT**

This section focuses on certain general considerations in terms of discipline management, considering the impartiality of the chairperson, disciplinary action against a trade union representative, and misconduct outside the workplace.

## **Impartiality of the chairperson**

According to Nyane (2016:23), the decisions of chairpersons and the appeal authority must be objective and based on principles of natural justice. The fair outcome is determined by the versions of both parties. Aggravating and mitigating factors must be taken into account. An objective outcome considers the decisions taken in similar cases (LRA 1995:311–312). For the Food and Agriculture Organisation (FAO) and the World Health Organisation (WHO) (2018 in Shabangu 2022) independence and impartiality are essential characteristics to display as the chairperson, and integral to the ability to facilitate consensus and attain progress in the work of the disciplinary committee. It is crucial that all stakeholders can trust the chairperson's impartiality. Small (2017:28) agrees, and confirms that the chairperson, who should be an impartial third party, is responsible for keeping the hearing in good order and making a finding of guilty or not guilty, based on the evidence presented.

According to Okpaluba and Juma (2013:1), common law attaches much value to the principles of judicial independence and impartiality. Mathenjwa (2017 in Shabangu 2022) states that the right of access to the court does not only entrench the common-law powers of the superior courts to review decisions of voluntary associations, but also requires the disciplinary tribunal itself to be independent and impartial. For Wagener (2020 in Shabangu 2022) the reasonable perception of both the independence and impartiality of a disciplinary tribunal is fundamental to individual and public confidence in the administration of justice.

Lavenant (2010:23) states that there is a need to use objective criteria to show the legality and validity of actions which are being undertaken. Benchmarks of acceptable behavioural standards must be developed and communicated to managers and staff members. This communication serves as justification for action for non-compliance to performance standards. The Disciplinary Code and Procedures (PSCBC 2003:2) states that its purpose is to prevent arbitrary and discriminatory actions by managers towards employees. Venter (2016:43) remarks that the chairperson of a hearing should be an objective and impartial third party to the matter, preferably with knowledge of labour law procedures and requirements. Brickhill and Grobler (2016 in Shabangu 2022) suggest that a chairperson should be a legal representative from an employer's organisation. If there is no impartial person on the premises, a neighbour can be asked whether they have sufficient knowledge of the procedures to be followed. It is important to prove to the Commission for Conciliation Mediation and Arbitration (CCMA) that the chairperson was not biased.

## **Disciplinary action against a trade union representative**

According to the Code of Good Practice (LRA 1995:312), the employer must inform and consult with the union when it intends to charge an employee who

is a shop steward, with misconduct. This is a proactive step as the dismissal of a shop steward might be construed as an attack against the union. The practice of consulting with the union is seen as being consultative and according the union the necessary respect. The requirement is that a procedure should be agreed upon and adopted in this regard. Unlike shop stewards, the employer uses its discretion and decision to invoke disciplinary action against all other employees, including the Senior Management Service (SMS) without consultation (Viviers 2016:897). Grogan (2014 in Shabangu 2022) argues that the employer cannot take disciplinary action against shop stewards without informing their unions. As shop stewards, such employees fall under the disciplinary authority of their union. If they fail to comply with the requirements of the union's constitution, they can be suspended or expelled from membership. Baer (2015:49) states that all rules and other regulatory conditions which govern employee behaviour are also applicable to local union representatives in equal measure while in their capacity as an employee.

According to Van Staden (2019:729), any statutory provision that forbids a trade union from representing employees in disciplinary proceedings would be limiting the constitutional rights of workers. Ibietan (2013 in Shabangu 2022) affirms that unions are representatives of employees at the workplace. For Barnard and Botha (2018 in Shabangu 2022) one of the core functions of a trade union includes representing its members at disciplinary proceedings.

Reynecke and Fourie (2001:186) state that in the event of a trade union representative, office-bearer, or official contravening a disciplinary rule, the union must be informed and consulted prior to that person being disciplined. Heyel (2012:410) concurs that a plant union representative is to be contacted by someone one step removed from the immediate controversy, such as the industrial relations manager or the plant manager. For Van Eck and Newaj (2020 in Shabangu 2022), employees have the right to be represented by trade union representatives of their choice during individual grievance and disciplinary hearings.

## **Misconduct outside the workplace**

There is sometimes a belief by employees that anything which they do outside of the workplace does not constitute misconduct, nor relates to their employment, according to Hannan and Shaw (2010 in Shabangu 2022). The reality is that misconduct outside the workplace is justified. The useful guides are outlined in the Court of Appeals decision in *Smith v Christchurch Press Company Limited* (2001), where the determination was on the conduct in the course of employment. Ziqubu (2020:16) states that the Court of Appeal decided that misconduct outside the workplace warrants a charge against the employee on the following basis:

- It damages the employer's reputation and business prospects.
- It has a direct impact on the employee's discharge of duties and suitability for the job.
- It tarnishes the employee relationship in the workplace.
- It has safety implications, for instance where dangerous behaviour is displayed.
- It affects the confidence and employment trust relationship.

Hannan and Shaw (2010 in Shabangu 2022) indicate the existence of a mutual relationship of conduct and employment. The employer is required to prove the potential adverse impact at the disciplinary hearing. The inference of the employment relationship has a recurring effect. Muller, Smith, and Lillah (2019:26) confirm that public servants are seen by civil society as representatives of the state even outside normal working hours. This assertion means that public servants carry the values and norms of their departments and the state in general, wherever they go. For Mahembe and Engelbrecht (2014 in Shabangu 2022), it is required of public servants to maintain good behaviour and discipline all the time.

Raligilia (2014 in Shabangu 2022) states that disciplinary action against an employee is justified even if it occurred outside of the workplace. The ultimate outcome of the misconduct committed after working hours and outside of the workplace might lead to dismissal. The dismissal is influenced by the nature of misconduct committed and the implications it has for the department and the state, irrespective of the place and time where and when it was committed. Goschen and Eccleston (2012:19) state that conduct that occurs outside of the workplace can still justify a dismissal. However, the conduct must be of particular relevance to the job in question or be shown to have genuinely brought the employer into disrepute. Stelfox (2013 in Shabangu 2022) suggests that in relation to criminal charges, an employer will still be required to conduct a full and thorough investigation, which may include the suspension of an employee. It is not necessary to refrain from any such action until the outcome of the criminal proceedings is known. Govender (2013: 1) concurs, stating that it is extremely important that the employer carries out their own investigation, and the offence must be shown to relate in some way back to work.

## **Performance standards for discipline management**

According to the Department of Performance Monitoring and Evaluation (DPME) (DPME 2012:4), in October 2010, Cabinet approved a proposal from the DPME to work with transversal administrative departments and the Offices of the Premier to develop and pilot the implementation of a Management Performance Assessment Tool (MPAT), in support of achieving Outcome 12. Tirivanhu, Olaleye, and Bester (2017:686) state that the MPAT was developed in collaboration with the DPSA and

**Table 1: MPAT performance standards for discipline management**

| <b>3.4 Performance area: Employee relations</b>                                                                                                                 |                                                                                                                                                                                                 |                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <b>3.4.2 Indicator name: Management of disciplinary cases</b>                                                                                                   |                                                                                                                                                                                                 |                          |
| <b>Indicator definition:</b> Whether the department manages disciplinary cases within the prescribed policies and ensures implementation of recommendations.    |                                                                                                                                                                                                 |                          |
| <b>Question:</b> Which set of statements best reflects the department’s approach to management of disciplinary cases?                                           |                                                                                                                                                                                                 |                          |
| <b>Statement</b>                                                                                                                                                | <b>Evidence</b>                                                                                                                                                                                 | <b>Performance level</b> |
| Department does not finalise disciplinary cases within the policy requirements; the necessary documentation is not kept; and reports are not submitted on time. | <ul style="list-style-type: none"> <li>■ None required</li> </ul>                                                                                                                               | <b>Level 1</b>           |
| Department finalises disciplinary cases within the policy requirements but the necessary documentation is not kept and reports are not submitted on time.       | <ul style="list-style-type: none"> <li>■ Available information on disciplinary case management</li> </ul>                                                                                       | <b>Level 2</b>           |
| Department finalises disciplinary cases within the required process and time frames and necessary documentation is kept and reports are submitted on time.      | <ul style="list-style-type: none"> <li>■ Available information on disciplinary case management</li> <li>■ Copies of reports submitted</li> </ul>                                                | <b>Level 3</b>           |
| All above in Level 3 plus:<br>Department conducts trend analysis on nature of misconduct and implements preventive measures.                                    | <ul style="list-style-type: none"> <li>■ All above in Level 3 plus:</li> <li>■ Proof of trend analysis</li> <li>■ Proof of implementation of recommendations and corrective measures</li> </ul> | <b>Level 4</b>           |

**Source:** (DPME 2012:94)

the National Treasury, with additional inputs from the Office of the Auditor General and the Office of the Public Service Commission. In June 2011, Cabinet gave a mandate for the DPME to implement management performance assessments for all national and provincial departments on an annual basis. Following a series of workshops and consultations, the DPME officially launched MPAT in October 2011. Provincial governments (Rasila 2019:4), through the Offices of the Premier, further facilitated their own launches and self-assessments in their provincial departments.

The logic behind the MPAT is focused on the improvement of management practices which are key to promoting government performance and service delivery.

The MPAT is a tool that benchmarks good management practice and assesses the quality of management practices across a comprehensive range of management areas (Ngumbela 202:50). The MPAT is designed to assess compliance and the quality of management practices. MPAT draws on secondary data of these departments and oversight bodies to moderate the self-assessments of departments (DPME 2012:11).

Table 1 demonstrates MPAT performance standards for discipline management. The management of disciplinary cases indicator falls under the employee relations performance area. Level 1 represents poor performance, Level 2 represents improved performance, Level 3 represents average performance, and Level 4 represents good performance (Tirivanhu *et al.* 2017:686).

As noted, for the FAO and WHO (2018 in Shabangu 2022), and Small (2017:28), the characteristics of a good chairperson are independence, impartiality, and objectivity. The chairperson should determine if the union was accordingly informed and consulted when presiding over a disciplinary case involving a shop steward (Venter 2016:43) For Goschen and Eccleston (2012:19) an employee is not immune from disciplinary action resulting from an act of misconduct committed outside of the workplace.

The public service takes too long to finalise disciplinary cases, despite measures in place to ensure that a period of three months suffices to conclude these matters. The DPSA, as the custodian of the disciplinary norms and standards, was made a case study. Disciplinary management is the indicator of the Performance Agreement of the Minister for Public Service and Administration (MPSA).

## CONCLUSION

The article outlined important aspects concerning discipline management and concludes that effective discipline management is defined by the organisational culture and other influential factors that were discussed. The activities that influence discipline management in the public service are outlined in the *Constitution of the Republic of South Africa, 1996*; the LRA of 1995; and the Public Service Act 103 of 1994.

Disciplinary principles play a critical role in the management of discipline by ensuring objectivity in the process, consistency, uniformity, and adherence to the rules. The employer should ensure that the laid down procedures and processes are complied with purposes of fairness. The fairness is determined by the chairperson, who constantly advocates impartiality of the disciplinary process. Notwithstanding the positions people occupy in the workplace, all employees are equal before the law and their treatment must be the same to ensure effective discipline management.

## NOTE

- \* This article is partly based on a Doctor of Philosophy thesis of K M Shabangu, completed in 2022 at the University of South Africa under the supervision of Prof S B Kahn (Promotor) and Dr X C Thani (Co-promotor) titled: *Effectiveness of the public service disciplinary framework for the Department of Public Service and Administration*.

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# The Impact of Illegal Foreign Nationals on Senqu Local Municipality in the Eastern Cape Province

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## ABSTRACT

Using a multi-theoretical framework, the article examines the perceived effect of the influx of illegal foreign nationals (undocumented immigrants) on the socio-economic environment and provision of basic service delivery, in the Senqu Local Municipal area of the Eastern Cape province. Little is known about the perceived effect of the continued influx of illegal foreign nationals on the socio-economic conditions and provision of basic service delivery in a rural municipal area. This is because limited research has been done on this. A qualitative research approach was used to answer the research questions. The empirical findings of the study revealed that the continued influx of illegal foreign nationals in the Senqu Local Municipal area had compounded serious challenges in the provision of selected socio-economic conditions, namely health services, employment, and job creation opportunities to local communities through local economic development (LED) and the provision of basic service delivery, such as electricity, water, sanitation, and housing. The article provides recommendations to address the challenges posed by the continued influx of illegal foreign nationals in the Senqu Local Municipal area.

## **BACKGROUND AND INTRODUCTION**

Migration, and particularly the migration of illegal foreign nationals (undocumented immigrants), which involves cross-border movement of neighbouring and non-adjointing countries in Africa and from other countries, is a widespread occurrence within the southern African context. There is a general perception in the context of the Republic of South Africa (RSA) that foreign migrants and illegal foreign nationals have a negative impact on cities and towns' provision of service delivery and other socio-economic conditions. Since 1994, with the establishment of the new democratic dispensation in South Africa, foreign migrants were welcomed into the country, but all foreign migrants needed to do so lawfully. Many migrants from politically unstable and war-torn countries in Africa migrate to South Africa seeking a better life and better living conditions and making it past South African borders, but as undocumented and illegal foreign nationals. Many of these illegal foreign nationals are forced to live on the fringes of South African cities and towns with limited protection and poor living conditions. Due to the presence of large numbers of foreign migrants, including illegal foreign nationals, devastating xenophobic attacks took place in South Africa in 2008 and 2015 (Dassah 2017:55). As a result of these xenophobic attacks, the Department of Home Affairs (DHA) had to ensure all illegal foreign nationals were identified. Since 1994 the National DHA made provision that people from countries such as Lesotho, Angola, and Zimbabwe are allowed to apply for work, business, study, and retirement permits as well as permits for relatives. These permits have a duration of four years.

Although migration does have considerable potential benefits, it could have a negative effect on local communities around the destination such as competition for employment opportunities, displacement of local workers, disturbance of social protection systems, and a negative effect on public service providers. Large numbers of illegal foreign nationals place an additional burden on public service providers, employment, and job creation and housing opportunities for South African citizens as members of local communities. The continued influx of illegal foreign nationals places more pressure on provincial governments' expenditure to provide social services such as education, health, and housing facilities to an ever-increasing population. It further increases the expenditure on other basic services provided by municipalities such as the provision of water, electricity, and waste removal services. This article provides the findings of a qualitative study on the perceived effect of the continued influx of illegal foreign nationals on the socio-economic conditions and provision of basic service delivery in the Senqu Local Municipal area of the Eastern Cape province.

The Senqu Local Municipality is in the Joe Gqabi District Municipality which is bordered by Lesotho in the north. The headquarters of the Senqu Local Municipality is in Lady Grey; other rural towns which form part of the Senqu

Local Municipalities are Sterkspruit, Barkly East, Rhodes, and Rossouw. The population of the Senqu Local Municipal area in 2011 was 134 150 compared to 135 141 shown in the Statistics South Africa 2001 Census. Statistics South Africa provided in the 2016 Community Survey that the population had soared to around 140 720. The number of households in 2001 was 33 904, which increased to 38 046 households in 2011, while it dropped to 35 597 households in 2016. Furthermore, the Senqu Local Municipality, Integrated Development Plan (IDP) of 2017–2022 (2017:12–21) makes no provision for the estimated number of documented migrants and illegal foreign nationals living in the Senqu Local Municipal area, which has a negative impact on planning and budgetary processes of the municipality.

The study was based on different theories and paradigms to ground the qualitative analyses of the study philosophically. The theoretical framework used in the study includes the humanistic theory, the people-centred development theory, and the developmental local government paradigm. The people-centred development paradigm and the developmental local government paradigm, form part of the humanistic theory that holds that the development of people or local communities must be more human-oriented. According to Davids and Theron (2014:16), the people-centred development theory became the slogan of the 1990s and early 21<sup>st</sup> century. People or members of local communities became the centre of development initiatives. The people-centred development paradigm may be defined as a process by which members of local communities increase their personal and institutional capacities to mobilise and manage resources to produce and justify sustainably distributed improvements in their quality of life with their aspirations and needs, of which their socio-and economic needs cannot be excluded. Davids and Theron (2014:17) further, argue that the people-centred development theory places people of whom members of local communities could not be excluded, at the centre of development by insisting that development should first be for the people and by the people. Second, the developmental local government paradigm which supports the people-centred development theory came to the fore with the promulgation of the White Paper on Local Government (WPLG) (1998:37), which mandated the developmental local government paradigm. The developmental local government paradigm entails that the authority and functions of municipalities should be so that it maximises the impact on the socio-economic development and conditions of members of local communities which is the focus of the study (Raga, Taylor, and Albrecht 2011:153–154).

Little academic research has been done on the perceived effect of illegal foreign nationals on the socio-economic conditions and provision of basic service delivery in a rural municipal area. Consequently, this article provides a discussion of the statutory and regulatory framework, the context of the impact of illegal foreign nationals on socio-economic conditions and service delivery in South

African cities and towns. This is followed by a discussion of research methodology and empirical findings and results of the study.

## **STATUTORY AND REGULATORY FRAMEWORK**

The statutory and regulatory framework establishes a basis and scope for how to deal with migrants in South Africa. According to Hiropoulos (2017:2), the *Constitution of the Republic of South Africa*, 1996 guarantees in Chapter 2 all persons, those documented and undocumented, fundamental, and procedural protections; comprehensively delineates the rights of immigrants and provides for their protection from unconstitutional and human rights violations. Section 20 of the Constitution, 1996 further provides that no citizen may be deprived of citizenship; which in essence means that there is no need for any migrant to be illegal in South Africa.

Section 9(1) of the Constitution, 1996 provides that everyone is equal before the law and has the right to equal protection and benefit of the law, which gives the effect that citizens and those documented and undocumented must be fairly, and equally presented before the law. The Refugees Act 130 of 1998 makes provision for asylum seeker permits known as the Section 22 permit and the refugee permit known as the Section 24 permit, which allows the holder to live in the country but confers different privileges (Anegub 2018:31). The Refugees Amendment Act 11 of 2017 makes provision for more options available to submit an application for asylum to the Director General of the DHA.

Section 2(1) of the Immigration Act 13 of 2002 *inter alia* discourages illegal foreign nationals and makes provision to detect and deport illegal foreign nationals (undocumented migrants). Section 7(1)(b) of the Immigration Amendment Act 19 of 2004 states that the Minister may, after consultation with the Board, make regulations concerning required steps to be taken to prevent the entry of illegal foreign nationals into South Africa and to make provision to trace and identify undocumented persons in, and their removal from the country.

The introduction of the 2016 Border Management Authority Bill makes provision for an integrated border management approach. The 2016 Border Management Authority Bill further allows modern travel and trade through a single authority that is responsible for ports of entry and the control of the borders of the country for balanced facilitation of legitimate trade and travel with security. Following the 2016 Border Management Authority Bill, the Border Management Authority Act 2 of 2020 was introduced. The Border Management Authority Act, 2020 makes provision for the establishment of the Border Management Authority (BMA), the appointment and functions of the Commissioner and Deputy Commissioner, the duties, and powers of officers, the establishment of an

Inter-Ministerial Consultative Committee, border Technical Committees and an advisory committee. Thus, the BMA Act, 2020 provides a more integrated border law enforcement approach within the border law enforcement areas and at ports of entry to encourage effective cooperation and coordination of border management matters. The White Paper on International Migration, 2017 was released in July 2017. The main objective of this White Paper (2017:67) is to reduce irregular migration (people who have entered South Africa without legal documentation, whose permits have expired, or who have broken the terms of their permits) and improve compliance and enforcement with immigration and related legislation.

The White Paper on International Migration (2017:iii) provides major policy changes relating to admissions, departures, and the management of international skilled migrants with capital. It further makes provision for the management of ties with RSA expatriates, the management of international migration within the African context, the management of the integration process for international migrants, and the management of enforcement. Section 4(1)(a) to (d) of the White Paper on International Migration, 2017 makes provision for the elimination of visa requirements for African citizens in a secure manner. African citizens should enter South Africa visa-free, and visas should only be required on overstaying and deportation of foreign nationals, security risks such as organised crime, terrorism, political instability, civil registration risks based on documents frequently found in a fraudulent manner, or countries that failed or who are unwilling to identify their nationals when requested and on countries with a high number of nationals who misuse the South African asylum system. The introduction of the White Paper on International Migration, 2017 provides a move from a more fragmented compliance-based approach to a more strategic approach to managing international migration into the country (Mtsamayi 2022:71). Furthermore, the continued influx of illegal foreign nationals into the country is an indication that South Africa failed to come up with a policy that sufficiently addresses the problem of illegal foreign nationals in South Africa.

The DHA which is responsible for controlling the influx of migrants and to prevent the influx of illegal foreign nationals has made provision for projects with special dispensations for people of some of the neighbouring countries such as Lesotho, Zimbabwe, and Angola, to apply for work or study, relatives, or retired permits for a period of four years (DHA Annual Report 2017/2018 2018:98). The Lesotho Special Dispensation permit (LSP) allowed Lesotho immigrants before September 2015, to apply for a Lesotho Special Visa for working, studying, or running businesses in South Africa which was valid for four years and administered through their original identity card, passport, letter of employment, proof of study and a police clearance certificate. Chaha (2016:1) added that another requirement for applying for the LSD permit was that residents from Lesotho were expected to surrender the South African documents

they had obtained fraudulently to the designated DHA office, whereby they were offered an amnesty letter that was valid until 31 December 2016 from selected offices to accept the documents.

Zulu (2020:1) adds that the country took measures to deal with immigration during the lockdown period by extending the validity of the LSPs which expired on 31 December 2019 to remain valid until 15 June 2020. No new applications were allowed to be made after 15 June 2020. However, the continued influx of illegal foreign nationals into the country remains a challenge. The White Paper on International Migration (2017:35) confirms that undocumented migrants use illegal means such as border jumping to gain access to the country without legal documentation or permits. Irrespective of the extension of the LSPs and the intention of the White Paper on International Migration (2017:67) to reduce the migration of people who have entered South Africa without legal documentation, whose permits have expired, or who have broken the terms of their permits; the continued influx of illegal foreign nationals jumping the Lesotho border directly impacts rural municipalities of the Eastern Cape province (The Senqu Local Municipality IDP 2017:20–21).

According to Mokoale (2018:27) that although the Immigration Act of 2002, and the Immigration Amendment Act of 2004 made provisions relating to illegal foreign nationals, South Africa failed to come up with a policy that adequately addresses the problem of undocumented migrants in South Africa. Dithebe (2018:15) points out that the immigration policies of South Africa have changed from time to time; however, the government lacks the ability to implement policies on immigration in an effective manner, which permits illegal foreign nationals to enter South Africa without any valid documentation. Considering the above, one could argue that the South African government failed to implement the Immigration Act of 2002, the Immigration Amendment Act of 2004, and the Border Management Act of 2020 or to come up with a policy that sufficiently addresses the problem of illegal foreign nationals in South Africa.

## **IMPACT OF ILLEGAL FOREIGN NATIONALS ON SOCIO-ECONOMIC CONDITIONS AND SERVICE DELIVERY IN SOUTH AFRICAN CITIES AND TOWNS**

Migration refers to the movement of a person from one country to another for the purpose of taking up permanent or semi-permanent residence, usually across a political boundary (Machavanda 2016:11). In terms of Section 1(1)(xviii) of the Immigration Act, 2000 an illegal foreigner is a foreigner who is in South Africa in contravention of the Act and includes a prohibited person. The White Paper on International Migration, 2017 uses the term illegal migrant rather than an

undocumented person. In this article, the term illegal foreign national is used to refer to a person entering the border without legal documentation.

Since 1994 South Africa has experienced a significant increase in the legal and illegal migration of foreign nationals. Particularly, since 1994, the country has become the new migration hub, drawing hundreds of thousands of new migrants from other African countries, as well as from Bangladesh, China, Pakistan, and Eastern Europe. One of the major reasons for the increase in migrants is the quest for employment opportunities in South Africa by documented and undocumented migrants (Mtsamayi 2022:22; Dassah 2017:255). Moekele (2012:18) and Anequb (2018:20–21) agree that economic factors and unemployment can be seen as the push factor contributing to the migration of people from Mozambique, Lesotho, Angola, Zimbabwe, and other countries to South Africa. The presence of large numbers of illegal foreign nationals directly contributed to the two major conflicting incidents of xenophobic attacks in South Africa. The xenophobic attacks in 2008 led to the displacement of 150 000 people, and 62 deaths, mostly foreign nationals, and members of South Africa's ethnic minorities (Dassah 2017:55). The 2015 outbreaks of violence against non-South African and illegal foreign nationals occurred mostly in Durban and Johannesburg while the 2019 xenophobic attacks mostly occurred in Johannesburg (Anon in BBS News 2 October 2022).

Considering the above the DHA is responsible for identifying undocumented persons and ensures that in relevant circumstances, legal documentation or permits are provided to illegal foreign nationals who qualify (Segatti and Landau 2011:9). In this regard, Harris (2001:42) and Dithebe (2018:30) point out that illegal foreign nationals are using illicit means such as border jumping to gain access to the country and often buy permits or obtain South African identity cards from corrupt border officials at ports of entry. These incidents emphasised the need for the South African government to develop adequate migration policies, increase border control measures, and ensure adequate administrative capacity that recognised that migration would remain an unavoidable reality of the region. However, South Africa's national policies and regional initiatives focus primarily on migration and border controls. Therefore, inadequate coordination of the movement of illegal foreign nationals and inadequate administrative capacity of the DHA to effectively deal with the influx of illegal foreign nationals undermines the government's policies and legislative framework (Dassah 2017:55).

Another concern is that although Section 38(1)(a) of the Immigration Act, 2002 provides that no person or employer shall employ any undocumented person, many illegal foreign nationals are employed in South Africa without any valid documentation as a form of identification. Many employers prefer to employ illegal foreign nationals in the farming, domestic, hospitality, and construction industries. Many illegal foreign nationals are willing to work for less than the prescribed minimum wage, while others open small family businesses. Undocumented

migrants do not have access to finance and credit, and they lack legal documentation to open a bank account. This has demanded creativity in entrepreneurship from undocumented migrants, who often start businesses out of nothing. In this way, illegal foreign nationals bring new skills, and capital, often creating jobs for South Africans (Dirks 2010:26; Segatti and Landau 2011:101; Kalitanyi and Visser 2010:382).

For many years the number of documented illegal foreign nationals living in South Africa has been questioned. Statistics South Africa has no record of undocumented persons crossing the borders illegally (Heleta 2018:2). The number of undocumented illegal workers in South Africa had been estimated at two million in 2012, while it had been estimated that the employment of illegal foreign nationals in South Africa would continue to increase from an estimate of 1 760 million in 2007 to 2 343 million in 2020 (Mokoele 2012:12; Bohlmann 2012:3–8). More recently, Statistics South Africa stated that the number of undocumented migrants in South Africa could be estimated at 3,95 million people. This estimation is based on the output of foreign born persons enumerated in Census 2011 (2,2 million) and adds to it the net international migrants for the period 2011 to 2016, and from 2016 to 2021 (StatsSA, Media Release Report 05 May 2021; Owusu-Sekyere and Willis in the *Daily Maverick* 23 May 2022). One could argue that there is no complete and consistent data available on the number of illegal foreign nationals living in South Africa.

The lack of reliable data on migration, of which illegal foreign nationals cannot be excluded, affects municipalities in several ways. The incomplete and inconsistent data available on migration is often used for planning, budgeting, and other municipal functions. Another concern is that the IDPs of municipalities reveal no indication of the number of illegal foreign nationals that have a negative effect on development planning processes and the provision of basic service delivery. A concern is that data from Statistics South Africa, which is the most used source of data, is used by national and provincial governments to determine the equitable share allocated to municipalities. The data is also used by municipalities to draw population information and it is issued in planning and budgeting processes. Therefore, if the data provided by Statistics South Africa on migration is not correct it will have a negative impact on the equitable share transferred to local government, and municipalities' planning and budgetary documents (Segatti and Landau 2011:85).

According to Kok and Aliber (2005:47), and Dassah (2017:268), migration has some positive benefits, for the migrants themselves and the region of origin and their destinations. Migrants are opening markets in the country to create employment opportunities for local communities and transfer valuable knowledge, skills, and experiences to local citizens. However, it could have a potential negative impact on their destination such as interferences of labour markets, interruptions

of local workers, disruption of social protection systems, and places an additional constraint on public service providers. Mokoete (2012:23), avers that these illegal foreign nationals, have a negative impact on provincial government's ability to make provision for housing facilities for poor local communities. Most of the illegal foreign nationals arriving in South Africa are destitute, jobless, and homeless. Illegal foreign nationals do not have access to housing because they do not have identity documents. Ubisi (2019:456) points out that some residents are selling Reconstruction and Development Programme (RDP) houses to illegal foreign nationals who obtained South African identity documentation in a fraudulent way. Harris (2001:42) agrees that illegal foreign nationals often buy permits or obtain South African identity cards from corrupt border officials at ports of entry. This is an indication that the DHA lacks the ability and capacity to manage the continued influx of illegal foreign nationals effectively. In addition, Dassah (2017:267) argues that illegal foreign nationals also have an undesirable effect on the economic growth of local communities as they often engage in criminal activities such as armed robbery, drug trafficking, and money laundering. The African Centre for Migration and Society (2017:23) and Solomon and Kosaka (2013:12) maintain that some illegal foreign nationals were linked to irregularities, where they do not charge VAT (value-added tax) and they sell goods at much lower prices than the local stores. Thus, the presence of large numbers of illegal foreign nationals has a potentially negative effect on the economic growth of local communities.

More recently it was reported that Gauteng and the Western Cape have seen the greatest influx of people since 2016 (Anon in *BusinessTech*, 19 July 2021). According to Bongo (2019:3–4), the populations of the cities of Ekurhuleni, Johannesburg, and Tshwane have grown rapidly due to migration. Bongo (2019:3–4) further mentioned that these cities are faced with complex socio-economic challenges, including high unemployment rates, poverty, inequalities, and an increase in hawkers which negatively impacted the cities' capacity to enforce by-laws; an increase in illegal mining, and many other socio-economic challenges. A concern is that many of the socio-economic challenges associated with the movement of people and migration (documented and undocumented) are not explicitly dealt with by municipalities. The primary needs of migrants, such as shelter, access to health, education, employment opportunities, administrative justice, and proper treatment are formally the responsibility of national and provincial governments. Therefore, local government officials are of the opinion that migration of people (legal or illegal) is not a local government mandate (Landua, Segatti, and Misago in Segatti and Landau 2011:84).

Another challenge is that most municipalities did not have up-to-date by-laws aligned to the Constitution, 1996 and relevant legislation to address the current challenges posed by the continued influx of illegal foreign nationals. Bongo (2019:6) further argues that most municipalities in the country do not have the

resources to implement appropriate strategies, plans, and development programmes to provide services to residents (local community members) due to the ever-increasing demand for informal settlements and for unplanned service delivery. Kok and Aliber (2005:47–48) and Bongo (2019:6) are of the opinion that the cost of service delivery tends to be much higher in rural areas than in cities, therefore the continued influx of illegal foreign nationals in urban and rural municipal areas places an additional strain on infrastructure and service delivery.

In the context of the Senqu Local Municipal area which has a high unemployment rate, large numbers of illegal foreign nationals could negatively affect employment opportunities for local communities. According to the Senqu Local Municipality IDP (2017:9) the unemployment rate of the Senqu Local Municipality's population is 35.5% for members of local communities who are searching for work. A total of 27.8% of the Senqu Local Municipality residents are between 15 and 24-years who are searching for employment opportunities or will soon have to find employment in the area. The Senqu Local Municipality IDP (2017:20–22) shows that there is a high youth population which is an indication of the need for employment opportunities for low-skilled workers in agriculture, and the commercial sector. Furthermore, most of the people of the Senqu Local Municipal area are living in rural villages and rely on social grants. There is also a high migration rate of local community members to the more urban areas inside and outside the municipality for employment and educational opportunities. Therefore, the influx of illegal foreign nationals will hasten the existing unemployment challenge and it will have an undesirable impact on the Senqu Local Municipal communities.

The presence of illegal foreign nationals in the Senqu Local Municipal area has a negative impact on the provision of basic service delivery such as the provision of water, electricity, and sanitation as the resource for the provision of such services is limited. According to the Senqu Local Municipality IDP (2017:91–101–102), the budgets for water (R149 603 738), and sanitation (R93 901 795) are limited, and the systems are not well maintained. A total of 11 498 households in the Senqu Local Municipal area do not have access to basic electricity services. The aging electricity infrastructure is not well maintained and illegal connections in informal settlements are increasing. Another concern is that the provision of waste management and sanitation services in the area is impeded by poorly designed and poorly maintained water and sanitation systems that cannot cope with the increasing demands in the municipal area. Thus, one could argue that the presence of many illegal foreign nationals intensified serious challenges to provincial departments' ability to provide health, education, housing, and other social services. At the same time the continued influx of illegal foreign nationals into the Senqu Municipal area places an additional strain on the Senqu Local Municipality's ability to provide basic service delivery to local communities.

## RESEARCH METHODOLOGY

This article is based on a qualitative research approach by applying a descriptive case study research design focusing on the Senqu Local Municipal area in the Eastern Cape Province. According to Du Plooy-Cilliers, Davis, and Bezuidenhout (2014:176–179), a descriptive case study design allows for an in-depth analysis and descriptive insight into the real-life context of a phenomenon by describing the scenario in which the phenomenon occurs. The research population of this study comprised employees from the various provincial and local government departments who are directly involved in the management of illegal foreign nationals within the Senqu Local Municipal area in the Eastern Cape Province. Purposive sampling which is a non-probability sampling method, was used to select the 26 participants. The 26 participants consisted of 18 senior employees from various provincial departments (DHA, Department of Social Justice and Constitutional Development, Department of Social Development, South African Police Service (SAPS), Department of Health) who are directly involved in the management of foreign nationals and illegal foreign nationals in the region within the Joe Gqabi District Municipality. The participants also include four traditional leaders from four traditional councils and four community members believed to be directly affected by the presence of illegal foreign nationals in the Sengu Local Municipal area. A semi-structured questionnaire was used to elicit information about the management of illegal foreign nationals and the perceived impact of illegal foreign nationals on the socio-economic conditions of the Senqu Local Municipal area. A purposive sampling method was used where the sampling is done with a specific purpose in mind (Maree, Creswell, Ebers hn *et al.* 2017:198). Except for the above, the purposive sampling method was used to select 10 senior municipal officials from the Senqu Local Municipality with whom semi-structured interviews were conducted to elicit information regarding the perceived impact of illegal foreign nationals on the provision of basic service delivery, employment, and job creation in the area. In addition, the study conducted a documentary analysis that focused on the analysis of the effect of illegal foreign nationals on the socio-economic conditions and provision of basic services delivery in South African cities and towns including in the Senqu Local Municipal area. The SAS Version 9.2 and descriptive statistics were used to analyse the data of the semi-structured questionnaire. According to Bless, Higson-Smith, and Sithole (2014:348) descriptive stats may be used on qualitative data, as in the case of a self-administered semi-structured questionnaire. Manual thematic analysis was used to make sense of the data collected from the semi-structured interviews conducted with senior staff of Senqu Local Municipality. The responses were listed and interpreted to make sense, while different categories or themes were identified. The following were identified as factors that hampered and acted as limitations of the article.

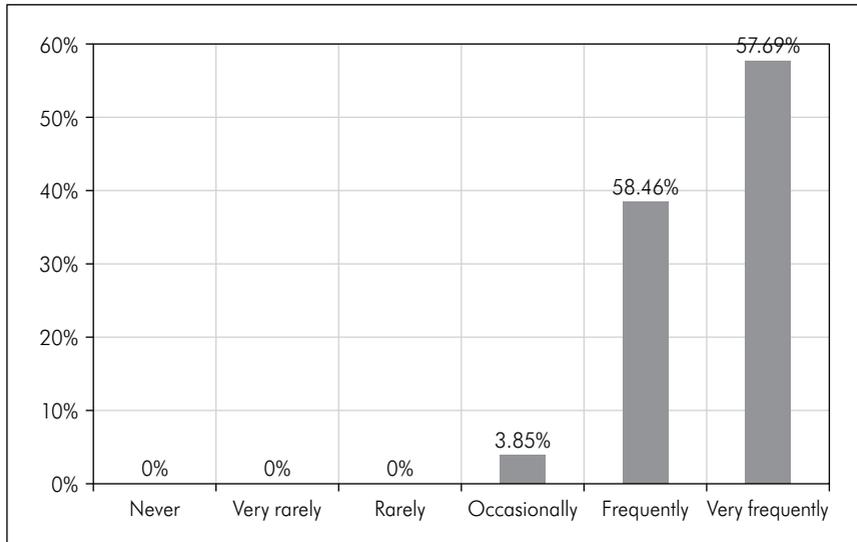
The responses of the respondents are based on the perceptions and views of the respondents therefore, the findings of this article are restricted to the Senqu Local Municipality and as such caution should be exercised regarding the generalisation of the findings to other provinces.

## FINDINGS AND RESULTS

The findings and results of the semi-structured interview questionnaire that was conducted in 2021 are provided below. The frequency of illegal foreign nationals crossing the Telle River border to South Africa into the Senqu Local Municipal area with their families and belongings without using the border gates (ports of entry) is illustrated in Figure 1.

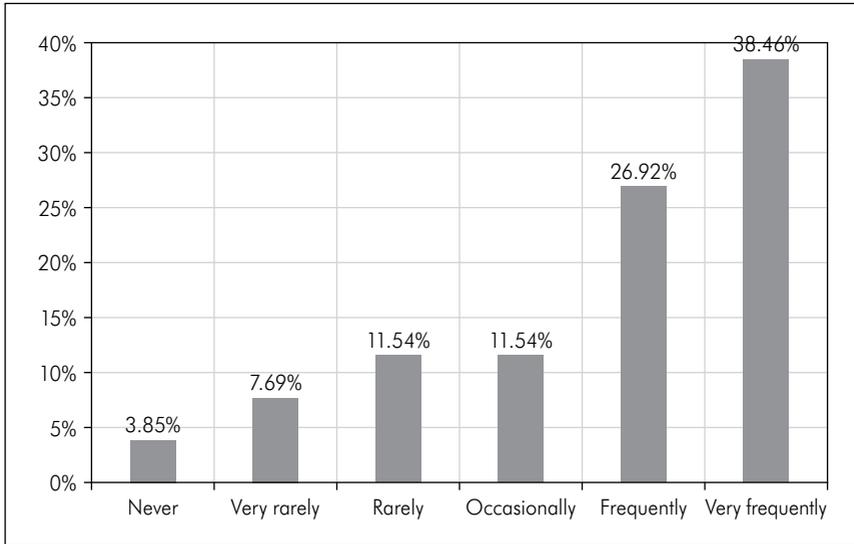
Figure 1 shows that only 3.85% of the respondents indicated that illegal foreign nationals occasionally cross the Telle River borderline to RSA into the Senqu Local Municipal area with their families and belongings without using the border gates (ports of entry), 38.46% of the respondents indicated that the action frequently occurs, 57.69% of the respondents indicated that the action occurs very frequently. In the literature discussion of this article, it was accentuated that in

**Figure 1: Illegal foreign nationals crossing the Telle River border to South Africa into the Senqu Local Municipal area with their families and belongings without using the border gates (ports of entry) (n = 26)**



Source: (Author's own construction)

**Figure 2: Illegal foreign nationals acquiring South African identification documents fraudulently (n = 26)**

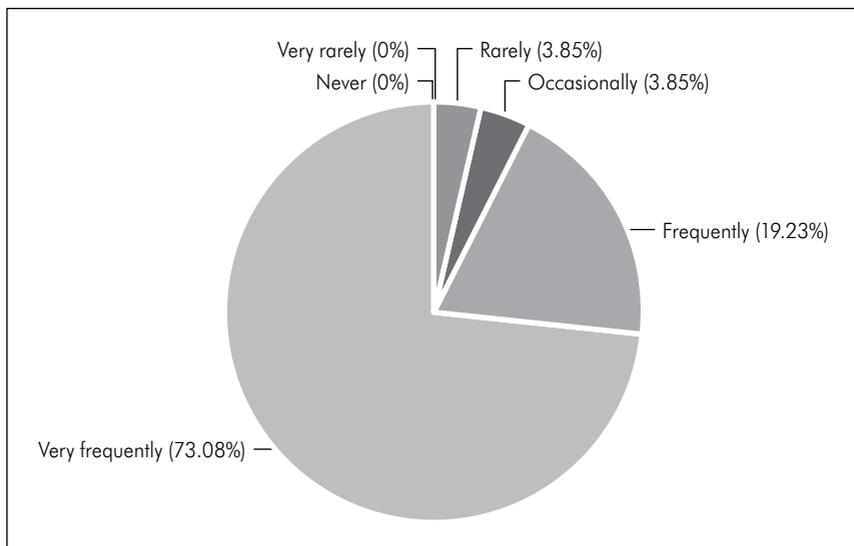


Source: (Author's own construction)

terms of the White Paper on International Migration for the RSA (2017:35) foreign nationals use illegal means such as border jumping to gain access to the country. A majority (57.69%) of the respondents said that illegal foreign nationals cross the Telle River border to South Africa into the Senqu Local Municipal area with their families and belongings without using the border gates (ports of entry). The respondents responded that illegal foreign nationals cross the border on a regular basis with their families without stating any numbers in this regard, therefore it can be viewed as a limitation in the study. The findings of the frequency of illegal foreign nationals acquiring South African identification documents fraudulently are illustrated in Figure 2.

Figure 2 shows that 3.85% of the respondents stated that the illegal foreign nationals never acquired South African identification cards or documents fraudulently; 7.69% responded by stating that illegal foreign nationals acquired South African identification documents fraudulently very rarely, and 11.54% stated that illegal foreign nationals acquiring South African identification documents fraudulently is rare. A total of 11.54% of respondents indicated that illegal foreign nationals occasionally acquired South African identification cards or documents. In comparison, 26.92% of respondents indicated that illegal foreign nationals frequently acquired South African identification documents fraudulently, and 38.46% of the respondents stated that some of the

**Figure 3: Illegal foreign nationals access employment in the Senqu Local Municipal area without legal documentation (n = 26)**



Source: (Author's own construction)

illegal foreign nationals acquired South African identification cards or documents very frequently on a fraudulent basis. Most of the respondents (26.92% frequently and 38.46% very frequently) responded that illegal foreign nationals acquired South African identification cards or documents, fraudulently. In the literature discussion of this article, it was emphasised that illegal foreign nationals acquired South African identity cards or documentation fraudulently from corrupt officials.

The respondents' perception of whether illegal foreign nationals' gained access to employment in the Senqu Local Municipality area without the required legal documentation is illustrated in Figure 3.

In terms of Figure 3 most of the respondents (73.08% said very frequently, 19.23% said frequently and 3.85% said occasionally) agreed that illegal foreign nationals access employment in the Senqu Local Municipality without legal documentation, while only 3.85% said rarely. It was accentuated in the literature discussion that the continued influx of large numbers of illegal foreign nationals could have a negative effect on employment opportunities for local communities as the unemployment rate of local communities is above 35% in the Senqu Local Municipal area. A summary of the findings of the perceived effect of illegal foreign nationals on socio-economic conditions is illustrated in Table 1.

**Table 1: Perceived effect of illegal foreign nationals on certain socio-economic conditions**

| Statements                                                                                                                                                                                   | Responses                                                                       | Percentage                                              | Average score |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------|---------------|
| Illegal foreign nationals illegally crossing the borders to access medical attention in the Senqu Local Municipal area                                                                       | Never<br>Very rarely<br>Rarely<br>Occasionally<br>Frequently<br>Very frequently | 0%<br>7.69%<br>3.85%<br>7.69%<br>38.46%<br>50%          | 5.24          |
| Illegal foreign nationals illegally access social grants by acquiring an RSA identity card fraudulently                                                                                      | Never<br>Very rarely<br>Rarely<br>Occasionally<br>Frequently<br>Very frequently | 3.85%<br>3.85%<br>19.23%<br>26.92%<br>15.38%<br>30.77%  | 4.38          |
| Illegal foreign nationals banking their monies in South Africa                                                                                                                               | Never<br>Very rarely<br>Rarely<br>Occasionally<br>Frequently<br>Very frequently | 11.54%<br>26.92%<br>19.23%<br>26.92%<br>3.85%<br>11.54% | 2.48          |
| Illegal foreign nationals creating jobs for community members of the Senqu Local Municipal area                                                                                              | Never<br>Very rarely<br>Rarely<br>Occasionally<br>Frequently<br>Very frequently | 30.77%<br>15.38%<br>7.68%<br>23.08%<br>7.69%<br>15.38%  | 3.20          |
| Illegal foreign nationals shop owners paying taxes in South Africa                                                                                                                           | Never<br>Very rarely<br>Rarely<br>Occasionally<br>Frequently<br>Very frequently | 61%<br>19.23%<br>11.54%<br>7.69%<br>0%<br>0%            | 3.20          |
| The effect relating to the management and control of the influx of illegal foreign nationals in the Senqu Local Municipal area on the provision of social services and basic public services | Negative<br>Positive<br>No-effect                                               | 55%<br>15%<br>30%                                       | –             |

Source: (Author’s own construction)

Notably, most of the respondents agreed that illegal foreign nationals illegally cross the border to access medical attention in the Sengu Local Municipal area. Most of the respondents further agreed that illegal foreign nationals gain access to social grants in the Sengu Local Municipal area by acquiring South African identity cards

or permits fraudulently. On the statement on whether illegal foreign nationals bank their monies in South Africa most of the respondents responded that it is very rare and occasionally that illegal foreign nationals bank their monies in South Africa. The literature accentuated that undocumented migrants do not have access to finance and credit as they lack legal documentation to open a bank account. Most of the respondents responded that illegal foreign nationals never pay taxes in the RSA. The literature mentioned that undocumented migrants were associated with ‘illegal’ businesses, that they do not charge VAT to their clients, and that they sell goods at much lower prices than the local stores. As noted before migrants (documented and undocumented) are opening markets in the country to create employment opportunities for local communities and transfer valuable knowledge, skills, and expertise to local citizens. On the statement, whether illegal foreign nationals create jobs for local community members in the Senqu Local Municipal area most of the respondents indicated that they rarely (30.77%) very rarely (15.38%), and never (30.77%) create any employment opportunities or jobs for members of local communities in the Senqu Local Municipal area. Table 1 illustrated that most of the respondents agreed that the management and control of the continued influx of illegal foreign nationals have a negative effect on the Senqu Local Municipal area to provide social services and basic service delivery to local communities.

## **EMPIRICAL FINDINGS: INTERVIEWS SENQU LOCAL MUNICIPALITY EMPLOYEES**

A summary of the respondents’ verbatim responses to interview questions conducted with the employees from the Senqu Local Municipality by using a semi-structured interview schedule.

**Table 2: Summary of the respondents’ verbatim responses to questions one to nine**

| <b>Themes</b>                        | <b>Interview questions</b>                                                                                                                                                                                 | <b>Summary of the respondents’ verbatim responses</b>                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Provision of service delivery</b> | <b>Question One:</b> What is the perceived impact of illegal foreign nationals (undocumented migrants) on the Senqu Local Municipality in terms of the provision of service delivery to local communities? | Most of the respondents responded that illegal foreign nationals benefit from service delivery such as water and electricity that should have been provided to poor South African residents. It leads to an increase in electricity and water supplies.<br><br>Two respondents responded that illegal foreign nationals often use South African identity cards which they obtained illegally to have access to municipal services and RDP houses. |

| Themes                                       | Interview questions                                                                                                                                                                                                                                                                                                                                            | Summary of the respondents' verbatim responses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provision of electricity supplies            | <p><b>Question Two:</b> In your opinion does the continued influx of illegal foreign nationals in the Senqu Local municipality area and surrounding towns have any negative impact on the supply of electricity to local communities? If yes, explain why you are saying yes, if no, explain why you are saying no.</p>                                        | <p>Seven respondents said yes, illegal foreign nationals have a negative impact on the supply of electricity for local communities. They often illegally connect electricity to their informal houses or in the back yards of rented houses leading to an increase in electricity supply.</p> <p>Two respondents responded that the influx of illegal foreign nationals negatively impacted the supply of electricity to local communities. The reason for this is that illegal foreign nationals occupied houses and/or rented houses from South African residents who already received electricity.</p>                                                                    |
| Provision of water supplies                  | <p><b>Question Three:</b> In your opinion does the continued influx of illegal foreign nationals in the Senqu Local Municipality area and surrounding towns have any negative impact on the supply of water to local communities? If yes, explain why you are saying yes, if no, explain why you are saying no.</p>                                            | <p>Eight respondents responded – yes, that the continued influx of illegal foreign nationals has a negative impact on the supply of water.</p> <p>The district municipality is the water supplier. Illegal water connections lead to an increase in the demand for water and it influences the water pressure. Water is a scarce commodity in the Senqu Local Municipal area.</p>                                                                                                                                                                                                                                                                                            |
| Provision of sanitation and waste management | <p><b>Question Four:</b> In your opinion does the continued influx of illegal foreign nationals in the Senqu Local Municipality area and surrounding towns have any negative impact on the supply of sanitation services and waste management services to local communities? If yes, explain why you are saying yes, if no, explain why you are saying no.</p> | <p>Seven respondents said yes – the continued influx of illegal foreign nationals has a negative impact on the supply of sanitation and waste management. The district municipality is the service supplier of water and waste management. Those who rent houses from South African residents do not pay for services but benefit from these services. It also leads to an increase in the demand for sanitation and waste management services. Those living in informal dwellings dump their waste everywhere. More toilet facilities must be installed in informal settlements.</p> <p>Two respondents said no—they dump their waste in the river and use pit toilets.</p> |
| RDP housing                                  | <p><b>Question Five:</b> Are you aware of any illegal foreign nationals who obtained an RDP house in a fraudulent way in the Senqu Local Municipality area or surrounding towns? If yes, explain why you are saying yes.</p>                                                                                                                                   | <p>Four respondents said yes, illegal foreign nationals bought RDP houses that were never meant to be sold.</p> <p>They are aware of such cases in Herschel Village, Tienbank Location, Lady Grey, and in Barkly East but cannot disclose their names.</p> <p>Five respondents said no, they are not aware of any illegal foreign nationals who fraudulently obtained an RDP.</p>                                                                                                                                                                                                                                                                                            |

| Themes                                       | Interview questions                                                                                                                                                                                                                                                                                                                            | Summary of the respondents' verbatim responses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Service delivery responsibilities            | <p><b>Question Six:</b> Are you aware of any other negative impacts of the continued influx of illegal foreign nationals on the service delivery responsibilities of the Senqu Local Municipality? If yes, explain why you are saying yes, if no, explain why you are saying no.</p>                                                           | <p>The majority of the respondents mentioned that illegal foreign nationals do not pay rates and taxes, increase crime rates, and even serious crimes such as murder, and visit clinics that place a burden on health services and health budgets.</p>                                                                                                                                                                                                                                                                                                                                                                                                                              |
| LED programmes and projects                  | <p><b>Question Seven:</b> Are you aware of any illegal foreign nationals (undocumented foreign nationals) who benefitted from any Local Economic Development (LED) programme/projects to take part in Expanded Public Works Programmes (EPWP) LED programmes to create job opportunities for local communities?</p>                            | <p>Seven respondents said no they are not aware of any illegal foreign nationals taking part in LED programmes/projects. A certified copy of a South African identity card is required to participate in LED programmes/projects.</p> <p>Two respondents said yes, they often get access illegally to a South African identify card and take part in EPWP and LED programmes in this way.</p>                                                                                                                                                                                                                                                                                       |
| Provide services to local communities        | <p><b>Question Eight:</b> Are you aware of any positive impact of the continued influx of illegal foreign nationals (undocumented foreign nationals) in the region? If yes, explain why you are saying yes, if no, explain why you are saying no.</p>                                                                                          | <p>Five of the respondents said yes—the influx of illegal foreign nationals has a positive impact on the region. They take part in the local economy through trading and selling goods. They provide services to local communities who often have taken long trips to get to these services such as barbershops, hairdressing, motor mechanics, carpeting services, roofing services, welding services, and building services. Some are farmworkers (shepherds), and the women are housekeepers.</p> <p>Four respondents said no there is no positive impact. Owners of spaza shops do not even bank their monies in local banks. They buy their goods in bulk outside the area</p> |
| Participation in local activities/structures | <p><b>Question Nine:</b> Are you aware whether any illegal foreign nationals participate in local activities, including ward committee meetings, where they reside in the Senqu Local Municipality area, concerning the provision of basic service delivery? If yes, explain why you are saying yes, if no, explain why you are saying no.</p> | <p>Five respondents said that illegal foreign nationals attend ward committee meetings in the residential areas in which they reside. They also take part in traditional ceremonies.</p> <p>Four respondents said no they do not participate in any ward committee meetings. Illegal foreign nationals shy away from any government structure.</p>                                                                                                                                                                                                                                                                                                                                  |

Source: (Author's own construction)

The interpretations with the identified theme, provision of service delivery, showed that illegal foreign nationals benefit from municipal services, which are compromised by the service delivery needs of South African citizens. It was accentuated that illegal foreign nationals often obtain fraudulent South African identity cards to access municipal services, without paying rates and taxes. The interpretations of the identified theme, provision of electricity, showed that illegal foreign nationals have a negative impact on electricity supplies. They have access to electricity by illegal connections in informal settlements or through backyard illegal electricity connections and this has a negative impact on electricity supplies. The interpretation of the identified themes, provision of water supplies, and provision of sanitation and waste management supplies showed that this function is provided by the district municipality. The findings showed that the continued influx of illegal foreign nationals has a negative impact on water supplies as well as on sanitation and waste management, due to an increase in the demand for these services because of illegal water connections, which has a negative impact on the water pressure in the area. More toilet facilities must be installed in informal settlements. The interpretations from the identified themes, employment, and job creation, showed that illegal foreign nationals have a positive impact as they create jobs for people who are willing to work as cheap labour, but they employ mostly other illegal foreign nationals, which has a negative impact on the current high unemployment rate of local people.

The interpretations from the identified theme, RDP housing, accentuated those illegal foreign nationals who have illegally bought RDP houses that are not meant to be sold or they obtained RDP houses in a fraudulent way by obtaining South African identify cards to have access to RDP houses. It was emphasised from the interpretations of the identified theme, service delivery responsibilities, that illegal foreign nationals do not pay rates and taxes. They also visit clinics and hospitals which places a burden on health services. The interpretations from the identified theme LED programme/projects showed that a certified copy of a South African identify card is required to take part in LED programmes/projects. However, one respondent mentioned that illegal foreign nationals often obtain South African identity cards illegally, which allows them access to LED EPWPs. From the identified theme, illegal foreign nationals provide services to local communities; it was interpreted that they provide services to local communities who previously had to take long trips to get these services. These include barber shops, hairdressing, motor mechanics, carpeting services, roofing services, welding services, and building services. However, four respondents responded that there is no positive impact as spaza shop owners do not bank their money in local banks and they buy their goods in bulk outside the area. Lastly, the interpretations of the identified theme, participation in local activities/structures, emphasised that illegal foreign nationals shy away from

participation in any government structures. At the same time, most of the respondents stated that illegal foreign nationals attend ward committee meetings and other traditional ceremonies.

## **CONCLUDING REMARKS AND RECOMMENDATIONS**

The article examines the impact of the influx of illegal foreign nationals on the socio-economic conditions and provision of basic service delivery, in the Senqu Local Municipal area of the Eastern Cape province. It was accentuated in the article that although migration does have considerable potential benefits, the continued influx of illegal foreign nationals could have a negative effect on local communities around the destination, such as competition for employment opportunities, displacement of local workers, disturbance of social protection systems, and a negative effect on public service providers. The findings of a semi-structured questionnaire and interview schedule revealed that the continued influx of illegal foreign nationals in the Senqu Local Municipal area has compounded serious challenges in the provision of selected socio-economic conditions, namely employment, and job creation opportunities to local communities through LED and the provision of basic service delivery, such as electricity, water, sanitation, and housing. Various policy, governance, and management implications and recommendations came out of the study. It was emphasised that no single policy or legislative framework sufficiently resolves the challenges of large numbers of illegal foreign nationals in South Africa. In the literature discussion of the article, it was highlighted that many socio-economic challenges related to the movement of people and migration (documented and undocumented) are not explicitly dealt with by municipalities, therefore municipal officials are of the opinion that migration, be it legal, or illegal is not a local government mandate.

It is recommended that the Senqu Local Municipality have up-to-date by-laws aligned with the Constitution, 1996, and relevant legislation to address the challenges posed by the continued influx of illegal foreign nationals in the area. The applicable legislation such as the Immigration Management Act, 2002 amendments, and the Border Management Authority Act, 2020 must be effectively implemented and the relevant mandated role-players must protect the borders. In addition, the Border Management Authority must manage all ports of entry sufficiently to prevent illegal crossings of foreign nationals into the Senqu Local Municipal area. Furthermore, the Senqu Local Municipality and relevant provincial departments must do more to address the negative effect of illegal foreign nationals on the socio-economic conditions, including the provision of healthcare services, basic education, housing, and basic service delivery such as the provision of water, electricity, and sanitation in the area. The Department of Human

Settlements must ensure that RDP houses are allocated to the correct recipients. It is also recommended that officials from ESKOM and the Senqu Local Municipality must conduct sporadic checks to ensure that electricity is not connected illegally.

## NOTE

- \* This article is partly based on a dissertation by Mtsamayi, L.M. "Assessing the perceived impact of the influx of illegal foreign nationals on service delivery and selected socio-economic conditions in Senqu Local Municipality in the Eastern Cape Province", under the supervision of Professor T van Niekerk at the University of Technology, Free State.

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# Implementation of Local Government Strategies in Zimbabwe

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## ABSTRACT

Local authorities in Zimbabwe are faced with severe service delivery challenges such as inadequate potable water, healthcare, education, roads, and sanitation. Although local authorities annually develop strategic plans, there is no indication that this influences the improvement of service delivery. Failing to implement formulated strategic plans effectively is the major reason for failing to meet the expectations of residents in terms of service delivery. This article explores the barriers preventing Zimbabwean local authorities in the Mashonaland West Province from implementing their adopted strategic plans and the measures that can be taken to overcome these barriers. An exploratory sequential mixed-method research design was used for this study, in which both qualitative and quantitative data collection methods were used to carry out the research. The findings identified change management, institutional culture, institutional structure, and leadership as the main barriers to strategy implementation experienced by local authorities in Mashonaland West Province. Suggested solutions are that local authorities should improve communication, involve employees and other stakeholders in strategy formulation, make better use of technology, provide leadership, and establish clear lines of authority between officials and elected political office bearers.

## INTRODUCTION

Local authorities in Zimbabwe were accorded planning status through Section

10 of the Zimbabwe Regional Town and Country Planning Act, 1998 (Zimbabwe 1998), with the aim to improve service delivery. For this purpose, urban and rural district councils prepare their own strategic plans as they are considered “planning authorities” (Zimbabwe Institute of Local Government 2006:6). Accordingly, local authorities in Mashonaland West have been creating strategic plans to address community needs within their jurisdictions, but the reality regarding service delivery does not reflect successful implementation of the strategic plans (*Daily News* 2015; Madzivanika 2011:33).

According to an article from the *Daily News* (5 October 2015), under the headline “Local authorities have failed”, the chairperson of the Parliamentary Committee on Local Government noted that local authorities in Zimbabwe have failed to address the continuing decline in service delivery due to misplaced priorities and a lack of strategic direction. The article further highlights residents have raised grave concerns, saying that councils do not consult them on major development decisions in wards. In addition, residents are also concerned that rates being charged are not commensurate with the services rendered (*Daily News* 2015). It is therefore evident that local authorities experience challenges associated with the implementation of new strategies as spelled out in their strategic plans (Madzivanika 2011:33).

Mashonaland West local authorities are no exception, as they face the same challenges as other local authorities in Zimbabwe. Urban councils are experiencing rapid population growth while facilities and social services remain inadequate. Nhapi (2009:229) states that local authorities in Mashonaland West experience problems with the provision of education and health services; that nearly all local authorities in the province empty raw sewage into major rivers and dams, causing serious damage to the environment; that there is a lack of road construction and maintenance; and that environmental management is poor. More recent studies articulate that service delivery remains a challenge within local authorities under study (Marumahoko, Afolabi, Sadie and Nhede 2020:42). The authors depict a pitiful picture of service delivery characterised by, among other things, paralysis, massive strain, poor and non-existent water provision, intermittent refuse collection and dilapidated service delivery infrastructure

One of the goals of the Zimbabwe Regional Town and Country Planning Act, 1998, is to improve service delivery through the implementation of strategic plans. In line with this, the article examines the following question: What are the challenges and barriers to strategy implementation faced by local authorities in Zimbabwe, specifically local authorities in the Mashonaland West Province?

First, the article provides conceptual and contextual orientation to strategy implementation and in particular the barriers to strategy implementation. The section on methodology outlines the mixed methods approach used to identify the barriers to strategy implementation in Mashonaland West. The article presents

key findings derived from the analysis followed by brief discussion, conclusions and recommendations that may be needed to achieve successful strategy implementation in the Mashonaland West Province.

## **STRATEGY IMPLEMENTATION: CONCEPTUAL AND CONTEXTUAL ORIENTATION**

The implementation of strategy requires the ability to foresee obstacles to the implementation process (Rajasekar 2014:170). An underestimation of the impact of strategy implementation barriers can result in implementation failure as these barriers can lead to a complete breakdown of the formulated strategy. Generally, strategy implementation requires that once appropriate strategies have been formulated, the strategic planning process should move into a stage where the strategies are implemented (Ehlers and Lazenby 2007:212). Turning strategy into execution is recognised as critical for business success, and management must give attention to strategy implementation in addition to the strategic planning process (Chimhanzi 2004:73; Li, Guohui and Eppler 2008:3; Sterling 2003:27).

In the literature reviewed, various scholars have identified key factors that influence the effective and efficient implementation of formulated strategic plans. Vries (2014), identifies these key factors to include the staff of the institution, institutional structure, communication activities, the level of commitment to the strategy, consensus regarding the strategy, relationships among different units and different strategy levels, implementation tactics employed, and the administrative system in place. Shopati, Mitonga and Aiping (2018:476–480) in their study identified 13 effective factors contributing to failure of strategic decision implementation in three intermediate public healthcare institutions in Namibia. These factors were recognised as poor communication, disharmony, environmental uncertainty, lack of clear leadership and guidance, non-accepting institutional culture, divergent institutional culture, an unclear and ambiguous strategy, strategy not patient-centred, resource limitations, ineffective operational arrangements; lack of commitment of decision-makers, lack of inspirational leadership; poor financial control and planning optimisation; and poor project management skills are the main reasons for failure of strategic plan implementation in public healthcare in Namibia.

The institutional staff component who must implement the strategy, is an important factor for effective strategy implementation. Their ability to perceive strategies as the source of competitive advantage as well as their willingness to act and introduce changes are part of the requisite characteristics (Huber 2011:49). Engagement of employees at all stages of strategy formulation, implementation, monitoring, and evaluation is paramount. According to Okumus (2003:871–882)

and Radomska (2013:80–92), skills barriers that affect strategy implementation are gaps in skills and implementation qualities, a lack of employee involvement; the treatment of processes, strategy creation and implementation separately; as well as a failure to treat strategy implementation as a continuous process. Speculand (2014:29–30) stresses the importance of bridging these strategy implementation skills gaps since successful implementation of strategy can provide a competitive advantage.

In addition, Heracleous (2003:79) identifies the causes of unsuccessful implementation of formulated strategies as:

- the creation of strategic plans that are merely a combination of budget and unclear development directions and that do not include clear guidelines for their execution;
- a complete disregard for market realities when formulating strategy;
- lack of a system for communicating the strategy;
- failure by managers to engage lower-level employees in the execution of the strategy;
- the absence of an appropriate institutional system that will make it possible to appoint employees and motivate them to effectively implement a worked-out development concept.

The arguments above indicate that strategy implementation requires the collaboration of everyone in the institution, the interlinking of strategy creation and implementation as well as the development of the requisite knowledge about implementation. In essence, strategy implementation is an integral component of the strategic management process and is viewed as the “process that turns the formulated strategy into a series of actions and then results to ensure that the vision, mission, strategy and strategic objectives of the institution are achieved as planned” (Thompson and Strickland 2003:365).

From the various barriers to strategy implementation identified in the literature, the most common and prevalent themes that emerged are change management, institutional culture, institutional structure, leadership, and strategy formulation.

## **Change management**

According to Musyoka (2011:301–308), strategy implementation is inextricably connected to change within an institution. Resisting change and maintaining the status quo will result in a lack of effective implementation of strategy. Raps (2005:141–146) therefore argues that since change is part of the daily life of institutions, the ability to manage change has proven to be a core competency for any institution. Managing change is difficult but critical for successful strategy execution (Hrebiniak 2008:32). In crafting strategy, areas of necessary change

must be noted, potential resistance to change carefully managed while processes that include managing key people, incentives, and institutional structures are activated.

Strategic change may be pursued by an institution to ensure that it continues to achieve its defined strategic objectives. However, because of the uncertainty that can be associated with change, there is a possibility of resistance to the change by members of the institution who may feel or think that they will lose something of value (Kotter and Schlesinger 2008:6). According to Lynch (2005:255), institutions should be analysed in advance to assess their ability to cope with change and make the necessary adjustments. Raps (2005:143) asserts that dealing with managers affected by change is the greatest challenge in strategy implementation. Senior executives can effectively transform change barriers into gateways for successful implementation if they change the way they view and practise implementation (Raps 2005:141–146). This is achieved through working on the implementation design and approach to ensure wide consultations forums are undertaken to enhance buy-in from stakeholders. According to Speculand (2009:168), most people welcome change if it is communicated well. When a new strategy is announced, staff members generally respond indifferently, show resistance, might be in disbelief or support the change, depending on what the change means to everyone (Speculand 2009:68–69).

## **Institutional culture**

Institutional culture refers to the shared values, attitudes and norms of behaviour that create the propensity for individuals in an institution to act in certain ways, for example, a lack of trust and short-term or long-term orientation (Hrebiniak 2005:261). Institutional culture is reflected in the institution's structures, systems and approach to the development of strategy. An institution with highly bureaucratic structures is strict and authoritarian, while a less bureaucratic culture is rather participative and "delegatory" in nature (Shin, Heath and Lee 2011:167–190). Culture is shaped by the institution's past, present, current technology and physical resources as well as by the aims, objectives and values of the people within the institution (Shein 1990:111; Mazur 2015:115–132). This implies that institutions may differ in culture because they have different mixes of these aspects that determine culture. Culture is, therefore, one of the major factors that influence strategy implementation.

A study by Brenes and Mena (2008:595) concluded that institutional culture supportive of principles and values of the new strategy results in successful strategy implementation. Furthermore, Carlopio and Harvey (2012) determined that an institutional structure and culture should be aligned with a new strategy and the new behaviours required for successful implementation of that strategy.

In addition, Ke and Wei (2006:1–22) who investigated the relationship between strategy implementation and institutional culture established that the success of strategy implementation is positively related to institutional culture along the dimensions of learning and development, participative decision-making, power sharing, support and collaboration, and tolerance of risk and conflicts, which all form part of an institution's cultural environment. A lack of trust can result in inadequate information and knowledge sharing between individuals, departments or business units. In a related vein, research conducted by Hrebiniak (2006:12–31) has determined that poor or inadequate information sharing, and unclear responsibility and accountability can result in strategy implementation failure.

## **Institutional structure**

The hierarchical structure of an institution determines how responsibilities are assigned within institutions, and vagueness of assignments can result in implementation failure (Raps 2005:143). The implementation of strategies that conflict with prevailing structures is doomed to fail, and even well-prepared and sound plans perish if implementers fail to confront difficult institutional and political obstacles that stand in the way of effective implementation (Gurkov 2009:48–64; Hrebiniak 2006:12–31). A study by Olson, Slater and Hult (2005) established that a correlation exists between an institution's performance and its structure on the one hand, and the behaviour of employees on the other. Furthermore, Feurer and Chaharbaghi (1995:55) conclude that "support structures in the form of formal structures are necessary for employees to act readily on the knowledge developed to craft and implement strategy". This assertion supports research by Bhimani and Longfield-Smith (2007:3–31), who showed that the process of strategy implementation is structured and formal.

Miller, Wilson and Hickson (2004:201–208) propose the realignment of roles, responsibilities, and accountability with strategy, while Brache (1992:24) suggests the application of cross-functional processes in strategy implementation rather than changing the institutional structure. Brenes and Mena (2008:590–598) argue that the structure within an institution influences decisions regarding the allocation of resources necessary for strategy execution. Lynch (2005:260) contends that structure can also influence the internal politics of an institution. For instance, interest groups in the institution can have different views and interests in the change of the institution's strategy. Lynch (2005:260) further states that some of these disputes may be disinterested and rational, while some may be governed by strongly held views. In situations like these, internal politics are at the centre of decision-making. It is therefore important to analyse the political situation of the institution in the early stages of strategy development (Lynch 2005:260).

## Leadership skills

Leadership skills are needed to direct and motivate employees to execute formulated strategies. Key responsibilities of leadership in strategy implementation include streamlining processes, aligning the institutional structure and keeping employees motivated and committed to strategy implementation (Rajasekar 2014:171). Top management must portray demonstrable commitment to strategy implementation, as this is a prerequisite for successful strategy implementation (Raps 2005:141). In corroboration, a study by Li *et al.* (2015) concludes that management's commitment to the institution, strategy and role should be achieved first for successful strategy implementation.

Authors such as Alexander (1985:91–97), Al-Ghamdi (1998:322–327), Beer and Eisenstat (2000:29–40) and Hrebiniak (2013:29) have established that ineffective leadership is one of the major barriers to successful strategy implementation. Management should therefore possess the skills, attitude, capability, and experience required for performing their leadership tasks. Leadership in the institution should be able to motivate employees to be committed to strategy implementation, and top management should be involved in monitoring and reviewing the progress of each strategic programme created by the institution (Hrebiniak 2005:25; Speculand 2009:72).

Another important aspect of leadership in strategy implementation is the effective deployment of resources. Strategy implementation often fails due to a lack of adequate resource allocations, particularly for capital-intensive strategies (Sterling 2003:30). Arrangements for financial support to enable major changes should always be made to ensure implementation success. Effective resource deployment can be achieved through a financial evaluation of a draft strategic plan to ensure that enough resources can be made available for the implementation effort.

Salih (2012:26) notes that leaders who aspire to execute their strategies effectively should accept that it is a complex process and must ensure that their institutions have the necessary capabilities needed for strategy implementation. Beer and Eisenstat (2000:29–40) postulate that successful strategy implementation must examine fundamental management issues of leadership, teamwork, and strategic direction. Successful implementation needs more than a leader; it requires teamwork from a leadership group that, through dialogue and collaboration, stays connected to the knowledge embedded in lower levels.

## METHODOLOGICAL ORIENTATION

The research paradigm underpinning this study's epistemological position is that of pragmatism. Saunders, Lewis and Thornhill (2007:110) argue that in pragmatism

the research question is the most important determinant of the research philosophy adopted for the study. This implies that the researcher chooses approaches as well as variables and units of analysis that are most appropriate for finding answers to the research question (Robson and McCartan 2016:28).

The research adopts an explanatory sequential mixed-methods study, in the form of a multi-case study. A method in which both quantitative and qualitative data is collected and analysed, and the two types of methods mixed in a single study to understand a research problem (Bryman and Bell 2015:448; Gorman and Clayton 2005:3). Data was collected from a sample selected from four local authorities, namely Chinhoyi City Council and Chegutu, Kariba and Karoi Town Councils in Mashonaland West Province, Zimbabwe.

## **Characteristics of the selected local authorities**

Table 1 summarises the local authorities under study in Mashonaland West Province, Zimbabwe in terms of their sizes, populations, staffing levels and other attributes for economic activity.

Using the sampling frame obtained from the local government authorities, council boards and the governing board of the Ministry of Local Government, Public Works and National Housing (MLG, PW & NH), a sequential stratified random sampling procedure was used to create the sample for the quantitative study. Initially, four strata were formed based on the four different local authorities included in this study. Within these strata, employees and councillors were further stratified according to their employment positions and area of responsibility. Simple random sampling was then carried out within each of the sub-strata. The major assumptions were that the participants in each of the sub-strata constituted a homogeneous sub-sample representative of the views of their colleagues in the said sub-strata. The sample size for the quantitative study was 288 respondents drawn from the four local authorities in Mashonaland West Province, and the questionnaire was then administered to the sample.

The sample for the qualitative study was identified using convenience sampling, with a total of 28 interviewees (seven from each local authority) who were selected based on their knowledge, expertise, availability and willingness to participate in the interview process. Those selected included the town clerks, town secretaries, councillors, middle management managers and directors from departments. A total of 220 questionnaires were received back with a response rate of 76%. All 28 interviewees participated in the study.

The authors obtained ethical clearance from the University of the Free State Ethics Committee. Approval to collect data was obtained from each individual local authority as well as the Ministry of Local Government, Public Works and National Housing. The data collecting instruments consisted of a self-administered

**Table 1: Key aspects of the four local authorities**

| Local Authority             | Karoi Town Council                                                                                                                                                                          | Chinhoyi City Council                                                                                                                                                                                                       | Kariba Municipality                                                                                                       | Chegutu Municipality                                                                                                                                                                                |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Geographical location       | Mashonaland West                                                                                                                                                                            | Mashonaland West                                                                                                                                                                                                            | Mashonaland West                                                                                                          | Mashonaland West                                                                                                                                                                                    |
| Population size             | 28 606 (2012 statistics)                                                                                                                                                                    | 77 929 (2012 census)                                                                                                                                                                                                        | 26 451 (2021 census)                                                                                                      | 49 832 (2012 census)                                                                                                                                                                                |
| Year Town Status Granted    | 1991                                                                                                                                                                                        | 1893 (municipal status)                                                                                                                                                                                                     | 1982 (Town Status)                                                                                                        | 1974 (municipal status)                                                                                                                                                                             |
| Economic activities         | Mining, Farming (tobacco and maize)                                                                                                                                                         | Maize & tobacco farming, copper, mica and gold mining                                                                                                                                                                       | Fishing, tourism, electricity and crocodile farming, informal sector                                                      | Agriculture (farming) and mining (gold & platinum)                                                                                                                                                  |
| Estimated Workforce         | 165 employees                                                                                                                                                                               | 372 employees                                                                                                                                                                                                               | 242 employees                                                                                                             | 281 employees                                                                                                                                                                                       |
| Strategic planning annually | Strategy and review workshops annually                                                                                                                                                      | Strategy and review workshops annually                                                                                                                                                                                      | Strategy and review workshops annually                                                                                    | Strategy and review workshops annually                                                                                                                                                              |
| Governance challenges       | Lack of reliable clean water, poor service delivery, rate payers' debts, salary areas, reported corruption cases, non-participation by residents in budgets formulations and key programmes | Growth in population resulting in council failing to provide quality services (water, roads, sewer), massive unemployment, failure to pay rates and fees by residents, lack of stakeholder participation in decision-making | Refuse collection, residents struggle to pay rates and tariffs, water and sewer problems, salary arrears, lack of funding | Rapid population growth affecting provision of quality services (water, sewer, roads, schools), unemployment and poverty affecting rates payments, lack of citizen participation in decision-making |
| No of elected councilors    | 10 elected councils                                                                                                                                                                         | 16 elected councilors                                                                                                                                                                                                       | 9 elected councilors                                                                                                      | 12 elected councilors                                                                                                                                                                               |

Source: (Authors' own construction 2022)

structured questionnaire for the quantitative data and a semi-structured interview guide for the qualitative study.

The self-administered questionnaire consists of questions that elicited respondents' perceptions and were scored on a five-point Likert scale with the following scores: 1 = "strongly disagree", 2 = "disagree", 3 = "neither disagree nor agree, or neutral", 4 = "agree" and 5 = "strongly agree". An interview guide was used to collect data for the qualitative study. Both the questionnaire and interview guide were compiled in such a way that it tested for the four main themes identified through the literature namely, change management, institutional culture, institutional structure, leadership, and strategy formulation.

## Data analysis

The quantitative results were analysed first, followed by the qualitative results, with the final analysis being an integration of the data. According to Fetters, Curry and Creswell (2013:2134–2156), in explanatory mixed-methods research, quantitative data is collected first and the findings inform qualitative data collection and analysis. The three phases of the analysis are depicted in Figure 1.

**Figure 1: Explanatory sequential mixed-methods design**



Source: (Creswell 2008:27)

The statistical data was analysed using the IBM SPSS 23 Statistical software package. Qualitative data was summarised and analysed through narratives to build themes and to validate results from the quantitative data analysis.

## RESULTS AND FINDINGS

Of the 288 questionnaires distributed, 220 were returned indicating a 76% response rate for the distributed questionnaires, with 100% responses to the questions, which encouraged the researchers to proceed with the research and the analysis of data. According to Richardson (2005), a response rate of at least 60% is desirable for surveys. Table 2 shows the responses according to case composition of respondents. Responses were measured in terms of responses received from the institutions under investigation.

**Table 2: Response rate**

| Case         | Respondents | Sample size | Returned questionnaires | Response rate |
|--------------|-------------|-------------|-------------------------|---------------|
| Chegutu      | 1–50        | 69          | 50                      | 72%           |
| Chinhoyi     | 51–133      | 108         | 83                      | 77%           |
| Karoi        | 134–174     | 54          | 41                      | 76%           |
| Kariba       | 175–220     | 57          | 46                      | 81%           |
| <b>Total</b> |             | <b>288</b>  | <b>220</b>              | <b>76%</b>    |

Source: (Authors’ own construction 2022)

The following analyses include the quantitative as well as the qualitative data and are grouped together under the themes that emerged from the study

## Change management and strategy implementation

The influence of change management on strategy implementation was evaluated by respondents based on the following indicators: flexibility of the local authorities to react to changes in the environment, readiness of employees to accept changes, clear communication of changes and financial support for major

**Table 3: Change management indicators**

| Change management indicators                                                          | Proportion of respondents (%) |       |         |          |                   | Total (%) |
|---------------------------------------------------------------------------------------|-------------------------------|-------|---------|----------|-------------------|-----------|
|                                                                                       | Strongly agree                | Agree | Neutral | Disagree | Strongly disagree |           |
| The local authority is flexible enough to react to changes in the environment         | 7.7                           | 33.20 | 31.80   | 23.20    | 4.10              | 100%      |
| Employees show readiness to accept any changes made within the local authority        | 5.00                          | 36.80 | 33.20   | 22.30    | 2.70              | 100%      |
| Changes are clearly communicated within the local authority                           | 6.80                          | 28.60 | 28.60   | 27.30    | 8.60              | 100%      |
| There is always enough financial support for major changes within the local authority | 4.10                          | 13.60 | 24.10   | 41.80    | 16.40             | 100%      |

Source: (Authors’ own construction 2022)

changes. Table 3 displays the findings of the quantitative study on change management indicators. The Table illustrates that only 40.9% of respondents agreed and strongly agreed that their local authority was flexible enough to react to changes in the environment. In a similar vein, only 41.8% of the respondents indicated that their local authorities showed readiness to accept change, while only 35.4% of the respondents were of the opinion that changes were clearly communicated. The majority of the respondents (58.2%) indicated that there was insufficient financial support within local authorities to implement major changes. An analysis of the data on change management factors reveals that the local authorities in Mashonaland West experience challenges in their ability to manage change, and these challenges may threaten strategy implementation. The ability to manage change is a core competency for an institution. In crafting strategy, areas of necessary change must be noted and potential resistance to change must be carefully managed.

The interviews confirmed that changes in the environment affect the strategy implementation effort. The interviewees stated that the strategic leaders should put in place the necessary institutional structure that supports change initiatives. According to interviewees, local authorities are flexible enough to react to environmental changes, but more still needs to be done to ensure that necessary supportive systems, such as effective communication both top-down and bottom-up, are present. Interviewees were of the opinion that the flow of information from lower-level employees to top management would need improvement if strategy implementation is to be fully achieved, since their input is important.

Most respondents were neutral in their view on the flexibility of local authorities, readiness of employees, effectiveness of communication and availability of financial support to adopt strategy changes in local authorities. An equally sizeable proportion pointed to flexibility of local authorities, readiness of employees to embrace change and funding within local authorities as key barriers to strategy implementation. The fact that a significant proportion of respondents were neutral and disagreed with three of the four change management variables was in line with the findings from the qualitative analysis. The biggest barrier to strategy implementation was identified as the ability to cope with change. According to the interviewees, the focus has been on critical activities, and this has affected the overall performance of the local authorities.

## **Institutional culture and strategy implementation**

The effect of the institutional culture on strategy implementation was evaluated by respondents based on the following indicators: trust among employees and stakeholders (councillors and residents' representatives), promotion of an open and innovative working environment, the use of technology in strategy implementation,

the promotion and importance of teamwork, and employees' commitment to their work. The results of the quantitative study are shown in Table 4.

Table 4 on institutional culture and strategy implementation shows that there is a low level of trust among employees and stakeholders within the local authorities (32.8% agreed and strongly agreed). The analysis showed that only 30.50% of respondents agreed that there is a high level of trust among employees and other stakeholders of the local authorities. However, this is compromised by 40% of respondents who were neutral, while 21.8% disagreed. There is, therefore, a need to create an environment that builds more trust among the stakeholders. Results indicated that 41.4% of respondents believed the local authorities actually promote an open and innovative working environment. However, 35% neither agreed nor disagreed. If innovation is not promoted, this may hinder strategy implementation. Therefore, there is no lack of innovation, which could have been one of the major barriers to strategy implementation by local authorities. However, 56.4% agreed or strongly agreed that their local authorities made use of technology in strategy implementation, that teamwork was promoted (58.2%) and that employees were committed to their work (64.5%). It can therefore be concluded that, according to the respondents, the main factors in the institutional culture that influence strategy implementation are the low levels of trust among employees and stakeholders and the lack of promotion of an open and innovative working environment.

**Table 4: Institutional culture indicators**

| Institutional culture indicators                                                           | Proportion of respondents (%) |       |         |          |                   | Total (%) |
|--------------------------------------------------------------------------------------------|-------------------------------|-------|---------|----------|-------------------|-----------|
|                                                                                            | Strongly agree                | Agree | Neutral | Disagree | Strongly disagree |           |
| There is a high level of trust among employees and stakeholders within the local authority | 2.30                          | 30.50 | 40.00   | 21.80    | 5.50              | 100%      |
| The local authority promotes an open and innovative working environment                    | 3.20                          | 41.40 | 35.00   | 18.20    | 2.30              | 100%      |
| The local authority makes use of technology in strategy implementation                     | 12.30                         | 44.10 | 33.60   | 8.20     | 1.80              | 100%      |
| Teamwork is promoted and valued in the local authority                                     | 10.00                         | 48.20 | 26.80   | 12.70    | 2.30              | 100%      |
| Employees in the local authority are committed to their work                               | 12.70                         | 51.80 | 23.60   | 10.00    | 1.80              | 100%      |

Source: (Authors' own construction 2022)

While interviewees stated that their local authorities made use of technology, they also felt that a major challenge was coping with the rapid changes in technology. Participants felt that keeping pace with technological change is very difficult. Therefore, technology is being utilised, but local authorities face difficulties in keeping up with new developments. Interviewees further pointed out that their local authorities do not take full advantage of all revenue-generating opportunities due to a lack of innovativeness. This results in insufficient revenue to cater for all essential activities, and strategy is thus not implemented properly. This shortage of resources has resulted in the failure to undertake meaningful capital projects.

A major theme which emerged from the qualitative study and that relates to the institutional culture is the role of councillors, politicians, and the government. Internal politics and power struggles, both of which are part of institutional culture, were identified to be one of the main barriers to strategy implementation in Mashonaland West. Local authorities in Zimbabwe depend on central government for resources, technology, and infrastructure, which entails that central government can exercise extensive power over the local authorities. These local authorities are therefore prone to politics, bureaucracy and central government directives, a situation likely to have a negative impact on their ability to be responsive to the needs of the people through effective service delivery.

## **Institutional structure and strategy implementation**

The following indicators were used to determine the relationship between the institutional structure and strategy implementation: institutional levels and narrow span of control, support of the structure for strategy implementation, clear responsibility, and accountability in the implementation of decisions, and the coordination of activities of institutional units.

Table 5 reveals that there are numerous institutional levels and spans of control (60%) within the local authorities. The majority of the respondents (53.6%) agreed or strongly agreed that the structure of local authorities in Mashonaland West support strategy implementation and that there is moderately clear responsibility and accountability (50%) in the implementation of decisions. However, only 45.4% of the respondents either agreed or strongly agreed that activities of the different institutional units were well coordinated.

While respondents to the questionnaire felt that the structures within the local authority support strategy implementation, the interviewees, in contrast, believed strategy implementation in their local authorities is mostly influenced by institutional structures. For example, interviewees cited the differences between elected councillors, administrators and politicians as having a negative

**Table 5: Institutional structure and strategy implementation**

| Institution's structure indicators                                                        | Proportion of respondents (%) |       |         |          |                   | Total (%) |
|-------------------------------------------------------------------------------------------|-------------------------------|-------|---------|----------|-------------------|-----------|
|                                                                                           | Strongly agree                | Agree | Neutral | Disagree | Strongly disagree |           |
| There are numerous hierarchical levels and narrow spans of control in the local authority | 13.20                         | 46.80 | 28.60   | 9.50     | 1.80              | 100%      |
| The structure of the local authority supports strategy implementation                     | 5.00                          | 48.60 | 36.40   | 7.70     | 2.30              | 100%      |
| There is clear responsibility/ accountability in the implementation of decisions          | 9.10                          | 40.90 | 32.30   | 14.10    | 3.60              | 100%      |
| Activities of institutional units were well coordinated                                   | 5.90                          | 39.50 | 37.70   | 11.80    | 5.00              | 100%      |

Source: (Authors' own construction 2022)

impact on strategy implementation in their local authorities. They also cited the existence of political interference where politicians try to exercise their authority and influence over the operations of councils. Interviewees stated that their local authorities have structures that support strategy by defining roles, responsibilities, and accountabilities, but added that strategy implementation in local authorities is hindered by political interference, as politicians influence the running of operations of local authorities through elected councillors, administrators and senior management.

## Leadership and strategy implementation

The relationship between leadership and strategy implementation was determined by using the following indicators: conducting annual strategy implementation workshops, clear guidelines or models to guide strategy implementation efforts, involvement of top management in monitoring and reviewing the progress of each strategic programme created by the local authority, and motivation by leaders of employees to be committed to strategy implementation.

Table 6 shows the findings of the quantitative study on leadership and strategy implementation in the local authorities. It is evident from the Table that strategy implementation workshops are carried out (65.9% agreed and strongly agreed), that top management is moderately involved in strategy implementation (51.9%) and that clear guidelines exist that will guide strategy implementation efforts

(57.7%). However, there is a lack of motivation by leadership of employees to be committed to strategy implementation (only 44.1% agreed or strongly agreed).

**Table 6: Leadership and strategy implementation**

| Leadership indicators                                                                                                          | Proportion of respondents (%) |       |         |          |                   | Total (%) |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------|---------|----------|-------------------|-----------|
|                                                                                                                                | Strongly agree                | Agree | Neutral | Disagree | Strongly disagree |           |
| My local authority carries out strategy implementation workshops annually                                                      | 17.7                          | 48.2  | 15.5    | 12.7     | 5.9               | 100%      |
| There are usually clear guidelines or models to guide strategy implementation efforts                                          | 6.4                           | 45.5  | 36.8    | 8.2      | 3.2               | 100%      |
| Top management is involved in monitoring and reviewing the progress of each strategic programme created by the local authority | 14.1                          | 43.6  | 26.8    | 10.9     | 4.5               | 100%      |
| Leadership in the local authority motivates employees to be committed to strategy implementation                               | 7.7                           | 36.4  | 24.1    | 24.1     | 7.7               | 100%      |

**Source:** (Authors' own construction 2022)

The interviewees stated that the leadership in the local authorities motivates employees to be committed to strategy implementation. The interview participants stated that senior leadership creates confidence and motivation by communicating the vision and mission of councils. However, they also pointed out that the failure by senior leadership to mobilise resources has seriously affected service delivery. Therefore, considering both the quantitative and qualitative results, leadership's effort to motivate employees within the local authorities is neutralised by their failure to adequately mobilise and allocate resources for strategy implementation.

According to the interviewees, the local authorities do not have clear guidelines or models that guide strategy implementation. In fact, unlike the responses to the questionnaire, the interviewees pointed out that the local authorities implement strategies haphazardly due to a lack of guidelines or models and frameworks for implementation.

The qualitative analysis further revealed that strategy implementation could be hindered by leadership as consistency is haphazard or even lacking during strategy implementation processes. However, the top leadership was involved in monitoring and reviewing progress at each stage. Three main themes emerged when the interviewees described the senior management's involvement in

strategy implementation in their local authorities and how it influenced implementation success. These themes were involvement, resources, and employees.

The above descriptive statistics have revealed the characteristics of respondents, the performance of local authorities (by establishing the organisational position of the authorities), the variables affecting the strategy formulation and the strategy implementation process by local authorities. The presentation of the results has demonstrated that despite their unique differences, the variables are many and some are closely correlated. The next part of the analysis, presented in the next section, is the factor analysis.

## **RECOMMENDATIONS**

The above findings form the basis for making recommendations that can enhance strategy implementation within local authorities in Zimbabwe.

### **Financing**

According to the research findings, strategy implementation and service delivery by Zimbabwean local authorities is to a large extent hindered by a lack of adequate funding. Revenue collection by the local authorities is weak, and financial inflow from the central government is low. This study proposes that the by-laws on revenue, for example, rates and taxes, should be strengthened. However, effective monitoring would be required to ensure effectiveness and little or no abuse of rate payers. The study also established that the local authorities find it difficult to fund all their capital projects. It is thus proposed that the central government should initiate policy measures where critical capital-intensive projects receive government funding and support. It is also proposed that certain capital-intensive projects be carried out under public-private partnership arrangements.

### **Transparency and accountability**

Local authorities in Zimbabwe enjoy a certain degree of autonomy in their operations. However, they are supposed to satisfy the needs of their various stakeholders. Therefore, local authorities should be accountable to residents and the government to ensure accountability. Residents' associations should be empowered by law to demand accountability from the local authorities. In addition, the Parliamentary Portfolio Committee on Public Accounts should play a more active role in ensuring that local authorities are accountable to the residents and government, and to ensure that the local authorities adhere to proper public finance

administration as may be stipulated in by-laws, which should be consistent with Parliament and provincial legislatures.

## **Separation of politics from administration**

The political nature of local governments in Zimbabwe is determined by their democratic system. Political parties therefore have an influence on local elections and political organisation of the local authorities. Council members are elected to office through political affiliations and, as such, national political parties tend to influence debate on major issues affecting councils. Naturally, national political parties tend to push for their policies and agendas. In some instances, a ruling party may push for implementation of its policies by an opposition-controlled council, and this may result in serious problems. Major problems may also emanate from the differences between elected councillors (who, in some cases do not have expert knowledge) and technocrats within Zimbabwean councils. Therefore, in terms of policy, a distinction of roles and responsibilities must be made between council administrative professionals (officials) and politicians. Political office bearers should leave the management of the operations of the local authority to professional career civil servants.

## **Change management**

The results of the study indicated that local authority employees are ready to accept change. According to Speculand (2009), most people welcome change if it is communicated well. In this respect, local authorities are advised to improve their communication methods so that changes are conveyed effectively and possible resistance by employees is avoided. Communication generally takes the form of top-down communication in the local authorities studied. However, local authorities are advised to make use of all communication channels, such as bottom-up and lateral communication methods.

## **Institutional culture**

The local authorities should create environments that can build more trust between employees and other stakeholders. This can be achieved by involving employees, rate payers and residents' associations in strategy formulation and planning as well as by consulting them on budget matters. Local authorities should further take advantage of technological advancements, which they can use to communicate with residents for billing and for collecting rates and taxes. The study has shown that institutional culture is strongly associated with the performance of local authorities.

## **Institutional structure**

The research indicates that the differences between elected councillors, administrators and politicians have a negative impact on strategy implementation in their local authorities. Major problems may emanate from the differences between elected councillors (who, in some cases do not have expert knowledge) and technocrats within Zimbabwean councils. Therefore, in terms of policy, a distinction of roles and responsibilities must be made between council administrative professionals (officials) and politicians.

## **Strategic leadership**

The research established that strategic workshops are carried out annually but that the implementation of those strategies is not successful. The study also found that there are no specific guidelines, models or frameworks used in the implementation effort. According to Speculand (2014), strategy implementation is very difficult if institutional processes are not well defined. To avoid haphazard implementation, local authorities are urged to adopt relevant models, frameworks, and approaches to implement strategies.

## **CONCLUSION**

The study has shown that there are several barriers that affect strategy implementation in local authorities. However, the main challenges are the following: change management, institutional culture, institutional structure, leadership, communication, resource allocation and environmental influences. An analysis of the barriers indicated that strategy formulation workshops are carried out annually within the local authorities, but strategy is formulated mainly by senior management. Two major themes which stand out from both the quantitative results as well as the qualitative results are the financial constraints experienced by the local authorities and the power structures of the local authorities.

The local authorities were shown to be lacking in terms of responding flexibly to the environment. Local authorities experience a lack of funds with which to support changes and undertake capital projects. The implementation of crafted strategies has also suffered due to differences among elected councillors, administrators, and other politicians. It was established that the local authorities are characterised by clear responsibility and accountability arrangements. However, they do not have clear guidelines or models, nor do they have implementation frameworks to guide strategy implementation, but are, rather, involved in haphazard strategy implementation efforts.

## NOTE

- \* This article is based on Tawanda Mutandwa's PhD thesis completed in 2020 at the University of the Free State, titled '*Strategy implementation in local authorities in Mashonaland west, Zimbabwe*', under the supervision of Professor Chris Hendriks.

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# Local Financial Governance and Accountability Through Audit Committees in Local Government

## A Normative Framework for Self-evaluation of Audit Committees

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### **ABSTRACT**

This article aims to ascertain the critical aspects necessary for a normative financial governance framework to promote the effective operation of audit committees. It aims to identify the critical aspects necessary for a self-evaluation framework for audit committees. The goal of local financial governance structures is to promote public trust through accountability, and audit committees serve as an independent guardian of key principles of good governance, as prescribed in the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) espoused in the King IV report. To this end, the article provides a model for enhanced financial governance, addresses the roles, responsibilities, functions and activities of audit committees. It highlights good financial governance compliance practices and the gaps in local financial governance concerning the effectiveness of audit committees. This article highlights the areas needing improvement within the system of audit committees to ensure good and effective financial governance, and ultimately to improve the ability of local government to deliver on its mandate and ensure service delivery to citizens. It concludes with a normative conceptual framework for self-evaluation of audit committees to assist in improving their effectiveness in good financial governance.

## INTRODUCTION AND BACKGROUND

The King IV (Institute of Directors of Southern Africa (IoDSA) 2016) report recommends the establishment of an audit committee tasked to provide autonomous oversight of the efficacy of assurance services and functions. It recognises that, as is the case in South Africa, an audit committee is a legislative requirement. Hence, the requirement for the establishment of an audit committee as prescribed in terms of Section 165 of the MFMA concerns its role as an independent advisor to the municipal council. The primary source defining the functions of audit committees in South Africa is the MFMA. Section 165(4) of the MFMA also determined that an audit committee should comprise of at least three members with suitable experience. The experience requirement in the law was not substantiated and the National Treasury subsequently issued circular guidance on the matter for explanatory purposes. Section 166(4) of the MFMA, also specifies that the majority of members should not be in the employ of the municipality. The audit committee is expected to meet as often as is necessary to perform its functions, but at least four times a year. Further, the members of an audit committee must be appointed by the municipal council with a chairperson who is not in the employ of the municipality. The law also precludes a councillor from being a member of the audit committee. It allows also for the sharing of a single audit committee among municipalities.

Notably, the policy framework and guidance in defining roles and responsibilities, as well as functions and activities of the audit committee are issued by the National Treasury. These are provided in the form of circulars and guidance notes. MFMA Circular 65 specifically deals with audit committees.

As recently as 2021, the establishment of the audit committee as a governance structure was further included in law with the amendment to the Local Government: Municipal Structures Act 117 of 1998 under Section 79A, effectively recognising the audit committee as a formal structure reporting to the municipal council with its form and functions, as previously defined in the MFMA. The need for local government to institutionalise the formation of an audit committee is, therefore, entrenched in legislation in South Africa. Municipalities are required to comply and are audited on the effectiveness of the audit committee and its own compliance with the requirements of the law.

Abu-Khadra (2020:30–31, 39) tested the association between the existence of audit committees in non-profit organisations and governance, and concluded that the presence of audit committees results in a stronger governance score. This article draws on the overall need for audit committees, irrespective of the sector, and as confirmed by the King IV report. Krishnan (2005 in Krishnan 2022), highlighted that the audit committee is in control of the internal control of an entity and that it provides objective and real information to management. Audit committees have

vital roles in corporate governance and good governance that ultimately leads to greater economic efficiency. Joshua, Efiog and Imong (2019:109, 116) also confirmed that audit committees play important roles in influencing financial performance. However, the responsibilities of the audit committee should be explicitly defined and evaluated. This confirms an audit committee as a financial governance structure that goes beyond the idea of the audit committee being merely an advisor to other governance structures.

The audit committee, as a variable for corporate governance, is also confirmed by Saha and Akter (2013 in Krishnan 2022), wherein the audit committee is described as a mechanism for monitoring, which improves the quality of information flowing between shareholders and management, especially in respect of financial reporting. In the context of this article, the different financial governance structures are regarded as stakeholders, with communities being the most important stakeholder requiring public accountability. Elected municipal representatives serving on councils are the governing board and a key stakeholder in relation to audit committees. Al-Shaer and Zaman (2017: 983) also acknowledge that an audit committee is a feature of corporate governance that adds credibility and provides further assurance in sustainability reporting.

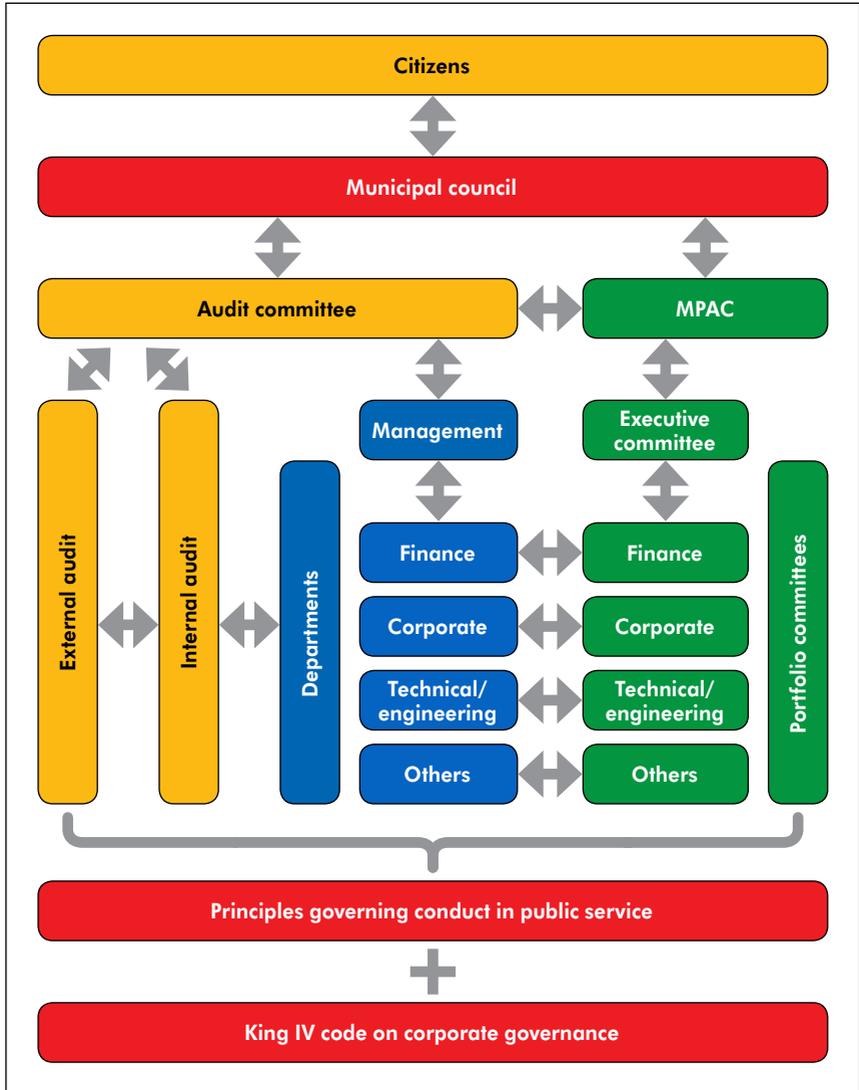
The IoDSA issues extensive mandatory guidance to practitioners on, *inter alia*, the relationship between the audit committee and internal audit, external audit, the councils in local government and management; to guide the relationships, roles and responsibilities, as well as accountability and reporting mechanisms (Internet source: <https://www.psacf.co.za/page/GuidancePapers>).

Krishnan and Subban (2021 in Krishnan 2022), in considering the case of the distressed Mpozana municipality in KwaZulu-Natal, highlight the fact that poor financial governance, which is endemic in South Africa, leads to poor service delivery. They highlight that the audit committee is obligatory by law to offer independent advisory services to the municipal council and management towards improving financial governance.

The Municipal Council as the governing board of a municipality is ultimately responsible for good governance. The municipal council establishes various structures, as empowered by the statute, that specifically address financial management matters. These include various functionaries and structures in accordance with provisions of different pieces of legislation including, specifically, the audit committee. The key structures of financial governance in municipalities in South Africa are the Municipal Council itself, the Municipal Public Accounts Committee (MPAC), the Executive Committee, the Audit Committee, the Management Structure, the Internal Audit and the External Audit.

With due regard to the issues addressed in this article, a practical and pragmatic model in Figure 1 has been developed to provide the context for local financial governance.

**Figure 1: Model for enhanced local financial governance**



Source: (Krishnan 2022)

The arrows, as shown above, indicate a flow of information, reporting and accountability between local financial governance structures. Departments and portfolio committees provide functions that exist in municipalities and depend on established organisational structures and governance structures (Krishnan 2022).

Figure 1 places citizens as the primary stakeholders and shareholders in municipalities. They are entitled to service delivery through good and effective financial governance at the top of the system. The information flow between citizens and municipal councils passes between them through the budget and integrated development planning processes, while public accountability is attained through the annual reporting processes of council.

At the centre of democratic local government and service delivery to citizens, remains the municipal council comprising duly elected representatives. It is ultimately accountable for the governance of a municipality across both the administrative and political structures. The audit committee is a committee of council, as is the MPAC, both of which exercise financial and governance oversight on behalf of, receive guidance from, and report to, council, based on their respective legal mandates. The MPAC exercises oversight over the executive, chaired by the mayor and portfolio committees of council. Management consists of managers responsible for different departments within a municipality.

The audit committee exercises oversight over, plans and coordinates the work of the external and internal auditors, who have authority to audit all administrative functions within the municipality. Information flows between management, departments and the audit functionaries in the form of reports, documents and evidence. Recommendations from the audit committee to management, require management to respond to, implement and report on progress.

Each department reports to the respective portfolio committee on its functions and, in this way, the portfolio committee exercises oversight over the work of the administration. A key complaint across municipalities, is the onerous reporting requirements and the burden placed on the administration to produce reports for different structures. The authors of this article recommend that the same reports should serve at all structures, whether it be a management structure, portfolio committee or the audit functionaries. Such a system will reduce this burden and, more importantly, ensure consistency in reporting without compromising the process of accountable reporting. The timeliness of reports may also be improved in this manner, which is an important aspect of good public administration practice.

While arrows depict the flow of information across structures, they also reflect the necessary interactions between them. Audit committee effectiveness is dependent on these different financial governance structures, their interactions and engagement are crucial to a robust system of governance. It is also noted that the capacity of councillors, in respect of financial management and governance, is weak and that as a consequence, the audit committee undertakes an important role in processing information and reports and providing council with recommendations. It is considered as the most important oversight structure, given the technical expertise that it must have, to process technical matters and pronounce on the legitimacy of systems of internal control, management of risk, compliance and governance

within the municipality. It must, therefore, be afforded sufficient authority to address shortcomings in both the administrative and political arms and can achieve an important goal in bridging the gap between these, as identified in the National Development Plan: Vision 2030 (NDP). In addition, given its superior expertise on matters of financial governance, the audit committee can, through deeper engagement and discussion with political structures, enhance the skills and capacity of councillors in understanding complex and highly technical matters. Collaboration and cooperation across administrative and political structures, with the audit committee performing an oversight role, could ensure the achievement of good and effective local financial governance, and ultimately service delivery to the citizens.

Underpinning, and permeating the entire system of local financial governance are the principles governing the public service, including municipal officials, as enshrined in the Constitution, 1996 and the principles of corporate governance from the King IV code placing emphasis on a value-centred approach (Bao, Wang, Larsen and Morgan 2012:454), deemed fundamental to good municipal governance and public administration practice. If all municipal functionaries within the system of local financial governance, including citizens, abide by these principles and behave accordingly, then there would certainly be enhanced accountability and governance. It is argued that, only through a value-centred approach adopted by municipal officials, can trust and sustainable development be achieved (Bao *et al.* 2021:460).

It can be said that the axis on which good and effective governance rests is the municipal council. It is the governing board in local government and its centrality requires it to be the most robust in upholding the principles of the *Constitution of the Republic of South Africa*, 1996 and principles of good corporate governance. The municipal council is ultimately accountable to citizens as its stakeholders who will, through their constitutional power to vote, review and consider whether to renew the mandate of local leadership serving on the municipal council.

The impact of the audit committee on local financial governance, measured by the audit outcomes of municipalities, which are characterised by recurring audit issues and negative audit opinions, as indicated by the Auditor-General (2022 in Krishnan 2022) and the Department of Cooperative Governance and Traditional Affairs (2022:24) in its report to the provincial legislature; is indicative of the fact that audit committees in South African local governance are currently not functioning effectively.

Central to the issues of governance and promoting accountability, are issues of monitoring, reporting and evaluation. There is a need for an institutional environment that enables monitoring and evaluation, thus highlighting the need for clear roles and responsibilities, integration of systems of planning with those of budgeting and reporting, and performance management. These factors are highlighted by Ndlevu and Muller (2017: 7–11) in a case study of the City of Johannesburg. They found that:

- The legal and regulatory framework, as well as the institutional context, shapes the monitoring and evaluation culture with reporting, which is onerous for local government.
- A lack of coordination across spheres of government in relation to fiscal transfers causes multiple lines of reporting and accountability.
- The need to process matters through various management, council and oversight structures further slows down reporting.
- There is ‘malicious’ reporting where the value of reports is not viewed positively.
- There is a lack of information sharing across departments and monitoring and evaluation practitioners.
- Strained relationships exist between senior management and councillors.
- There is a lack of skills within oversight committees to process technical information supplied by administrative counterparts.
- The credibility and quality of data supplied to oversight structures is sometimes not understood due to the technical nature thereof (Ndlevu and Muller 2017:7–11).

These monitoring, reporting and evaluation matters are significant in ensuring a model of local financial governance and a framework for audit committee evaluation that is relevant to the current context and capacity of local government (Krishnan 2022).

## **ROLES AND RESPONSIBILITIES OF AUDIT COMMITTEES**

If one limited the role and responsibility of audit committees to its statutory role and responsibility, as prescribed in Section 166 of the MFMA, it would simply be that of advisor to the municipal council, the relevant council structures and office bearers, as well as management. This would suggest that the audit committee would merely offer recommendations in the form of advice – and stop at that. This narrow interpretation suggests that the role played by the audit committee is constrained and that it is not able to call anyone to account (Krishnan 2022).

Napier (2018 in Krishnan 2022) highlighted, within the context of oversight and a separation of powers of governing bodies in local government, that oversight and accountability are used interchangeably. The author herein emphasised the need to provide clarity on roles and responsibilities by determining who does what and the necessary mechanisms for oversight. It was further highlighted that the pure dictionary meaning of oversight includes “supervision”, calling to account and answering for one’s conduct.

With emphasis, audit committees are independent overseers of the effectiveness of assurance providers and services, covering internal and external audits

as well as the finance area, and ensuring the veracity of the set of financial statements prepared annually, as highlighted by the King IV (IoDSA 2016).

Garcia-Blandon, Argil s-Bosch, Martinez-Blasco and Merino (2018:939, 941–942) studied the relationship between the implementation of recommendations of audit committees on codes of good practice and financial reporting. The study concludes that there is a statistically significant relationship between implementation of recommendations of audit committees and the quality of the financial reports produced. It goes further to prove a strong correlation between compliance with the codes and the audit opinion, expressed in reports of the external auditor. This would align with the need for audit committees in South Africa to oversee compliance with various codes, starting with the principles in the King IV Code (IoDSA 2016) and to follow-up on the implementation of recommendations made by it.

The Auditor-General's General Report (2020) indicated that, despite some progress, the combined assurance model is still not as effective as it should be. The term 'combined assurance' has emerged in recent years and, according to Van der Merwe (2016 in Krishnan 2022), it is simply the need for a coordinated approach in managing risks within the organisation. The model highlights three lines of defence: management, that owns and manages risks, are the first line of defence; second, internal assurance providers include the risk management function, legalities and compliance; and third, the external assurance providers, which include the internal auditor, are seen as independent from management, as well as the external auditors. Van der Merwe (2016 in Krishnan 2022) further indicates that, in theory, the audit committee should determine the level of assurance required but that, in practice, risk management is outsourced by management and the audit committee is expected to fulfil a role of overseer in this regard. The Auditor-General (2020) goes further to encourage additional role-players, namely: accounting officers, senior municipal management (including internal audit units and the audit committees), and the executive authorities (Mayors and Executive Committees) to ensure that they contribute positively towards providing assurance regarding the control environment. The Auditor General highlights that improved oversight by councils and MPACs would promote accountability by municipal leaders. It also considers and reports on the level of assurance provided by provincial cooperative governance departments, the provincial treasury and the office of the premier, to provide intense support to municipalities, particularly in ensuring compliance with legislation and improving the quality of published financial statements.

Of importance, is the fact that there is a growing call from communities for government to be accountable and to deliver value-for-money services. The publication of the Auditor-General's "General Report on MFMA Outcomes" (in Krishnan 2022), as well as the publication of the annual reports of municipalities,

which include the annual financial statements, the annual performance report, the audit report and the response to the audit report, as well as the report of the audit committee; are instruments of public accountability which mean that users of financial reports, including investors and the community at large, are able to express their satisfaction and dissatisfaction on the financial as well as service delivery performance of the municipality. The audit committee is key to ensuring that these reports are processed and are technically correct and compliant (Krishnan 2022).

In South Africa, as greater pressure is brought to bear on local government service delivery and the prevalence of maladministration, fraud and corruption reported in the media and highlighted by the investigations into State Capture by the Zondo Commission, it is incumbent on all governance actors and structures to deepen their level of interrogation of matters processed by them. Whether this can be done by an audit committee within four meetings a year is highly improbable, and although this is the minimum requirement set, there remain constraints to audit committees meeting more often, including budgetary constraints and management's capacity to respond.

Regarding the authority of the audit committee within the financial governance framework, the MFMA, section 166, provides that, in the execution of its functions, the audit committee must have the right to use of all financial records and pertinent municipal information, and that it must liaise with internal and external auditors. This does not confer much authority to the audit committee and merely allows it access to documentary information and key functionaries responsible for auditing in the municipality. The authority of the audit committee in relation to other governance structures is also critical to an understanding of its role. The National Treasury recognises the audit committee as independent and responsible for oversight of the municipality's control environment and governance, as well as risk management, and affirms that the audit committee provides assurance in the protection of stakeholder interests.

Erasmus and Matsimola (2019 in Krishnan 2022) conclude that, internationally, the role of the audit committee is accepted as one of oversight, monitoring management and ensuring accountability for the benefit of the municipal council. This literature, and the practical considerations, highlight the fact that the role of the audit committee cannot only be that of an advisor. It needs greater robustness in performing its functions.

## **FUNCTIONS AND ACTIVITIES OF AUDIT COMMITTEES**

As noted, audit committees derive their mandate and scope of work from the legislation, in particular the MFMA and frameworks developed by government,

as well as professional bodies. In particular, the National Treasury issued various guidelines and developed a number of templates and tools to support implementation and to develop an understanding and knowledge of the roles and responsibilities of the audit committee as well as its role, in particular, in relation to risk management.

The functions of the audit committee, as an independent advisor to the municipal council; political office bearers; the accounting officer and the management team of the municipality or the board of directors; the accounting officer and the management team of the municipal entity, are focused, according to Krishnan (2022) on matters relating to the:

- adequacy of internal financial controls and internal audits;
- efficacy in managing risk;
- correctness and application of accounting policies;
- extent to which financial reporting and information is adequate, reliable and accurate;
- adequacy of performance management;
- ascertaining the extent of effectiveness of governance;
- degree of compliance with the MFMA, the annual Division of Revenue Act and other applicable legislation;
- assessing performance evaluation; and
- any other matter that may be referred to it by the municipality or municipal entity.

In addition, the audit committee is required to examine the annual financial statements and provide an authoritative view on the credibility of the financial situation of the municipality or municipal entity, and the efficiency and effectiveness and general level of compliance with relevant legislation (Krishnan 2022).

Following the external audit, the audit committee is also required to provide a response to the municipal council on issues raised by the Office of the Auditor-General in its report on the audit of the municipality. The audit committee can also undertake investigations into the financial affairs of the municipality or municipal entity, as may be requested by the municipal council. The law then provides latitude for the audit committee to perform other functions that may be prescribed.

The National Treasury expands on the risk management responsibilities of the audit committee but highlights that these must be incorporated into the audit committee's charter to be adopted and submitted to the municipal council. This would legitimise the work of the audit committee in the area of risk management, where it should provide an independent and objective view of the effectiveness of the municipality's risk management function. In this regard, there is specific guidance provided where a municipality has a Risk Management

Committee and where it does not, and the role played by the audit committee in each case differs. Where there is a separate Risk Management Committee, the audit committee is expected to review the work in relation to managing risk and providing advice to the accounting officer on whether the risk management is adequate and effective, and making recommendations for improvement (Krishnan 2022).

In relation to risk management, the National Treasury emphasises that the audit committee must confirm that the plans of the internal and external audits are aligned to risk profiles of municipalities. The requirement is that the audit committee must consider the risks associated with financial reporting, inclusive of fraud risks, internal controls and particularly information technology (IT) risks. Of significance, is the fact that the National Treasury ascribes the functions of risk management to the audit committee in the event that there is no designated Risk Management Committee. This further expands the role and responsibilities of the audit committee and begins to blur the lines between oversight responsibility and being an operational functionary that makes recommendations for approval by the accounting officer (Krishnan 2022).

In addition, based on the policy framework and guidance provided by the National Treasury, the audit committee is required to:

- assess the progress made by management on the audit action plan;
- review the progress on implementation of the risk management strategy;
- enable and monitor the coordination of all assurance activities executed by the municipality; and
- assess processes employed by management in relation to fraud prevention and ensure that all fraud-related occurrences are appropriately addressed (Krishnan 2022).

The guidance and the Template Audit Committee Charter provided by the National Treasury present certain contradictions in respect of the role, functions and authority of the audit committee as follows:

- The audit committee, if operating as a risk management committee in the absence thereof in a municipality, becomes an administrative functionary and its independence is compromised.
- In addition, approval of the audit charter by the accounting officer may lead to bias on the part of the committee in addressing management issues identified by the accounting officer, further compromising independence (Krishnan 2022).

The Template Audit Committee Charter has been customised by municipalities, for example in KwaZulu-Natal, to inform audit committee functions and activities and includes the following key components:

- audit committee authority and independence;
- role as independent assurance provider to the accounting officer;
- meeting protocols;
- functions related to annual financial statements, risk management, internal control, performance management, internal and external audit, compliance and reporting; and
- other responsibilities, including safeguarding information supplied to it, the investigation of matters within its power and confirmation of its responsibilities through the audit committee charter on an annual basis through its review, which must be approved by the accounting officer.

The Template Audit Committee Charter provided by the National Treasury suggests that, collectively, the audit committee should understand the government environment and accountability structures; governance processes within the municipality: financial reporting, risk management, internal control, external audit processes, internal audit processes and legal processes; and IT.

The MFMA Circular 65 highlights that the audit committee charter should be applied annually in preparing the audit committee's work plan; agenda-setting for audit committee meetings; making requests for skills and expertise; making recommendations to the accounting officer and the municipal council; evaluating the audit committee's performance by its members and the municipal council, management, the external auditor, namely the Auditor-General, and internal auditors; and meeting contributions and participation.

The MFMA Circular 65 (2012) issued by the National Treasury to provide further guidance sets out the recommended qualities for chairpersons of the audit committee as well as the skills and experience requirements of suitable members. In appointing a chairperson, the municipality must ensure that the person has good standing; is able to guide discussions; provides visionary direction; guides management on the basis of expert knowledge and skills towards improving municipal capacity; provides effective advice to council; and conducts meetings to enable participation. In respect of members of the audit committee, it is expected that members should be advisors; effective communicators; diligent in reviewing information; questioning; independent; proactive; professional; encourage transparency; and build relations with management. Many of these are soft skills and the process of selection of audit committee members should be rigorous enough to test prospective applicants on them. This should then be included in the recommendations for suitable members. Circular 65 also provides further detail on the required skills and experience, stipulating the requirements for different categories of municipalities. No specific mention is made of qualification, certification by any professional body or any other formal training of members.

## COMPLIANCE WITH GOOD FINANCIAL GOVERNANCE PRACTICES

Of significance, is the fact that the Auditor-General in South Africa places emphasis on National Treasury circulars when auditing municipalities and tests compliance with these. However, it should be noted that these are simply a guide and are not mandatory, as they would be if it were law. Much debate has ensued in the sector about the application of such circulars offering guidance, and their imposition on local government, creating a further burden of compliance.

Bota-Avram (undated) proposed a methodology for measuring the score of good practices of an audit committee and included the existence of the audit committee; chairman's independence; chairman's professional expertise; position of the audit committee; independence of the audit committee; professional expertise of members of the audit committee; responsibilities of the audit committee and the number of meetings held annually. The responsibilities of the audit committee were proposed as:

- checking the financial reporting process;
- ensuring that accounting policies are appropriate and consistent;
- monitoring that internal procedures are accurate;
- monitoring of the external audit (including the statutory audit);
- making proposals/recommendations for selection, appointment and dismissal of the external auditor;
- making proposals/recommendations for selection, appointment and dismissal of the internal auditor;
- doing the preparatory work in respect of the financial statements and management reports on behalf of the board;
- reviewing the internal audit plan;
- monitoring the independence of the external audit and conformance with quality assurance measures;
- overseeing the effectiveness of the internal audit;
- monitoring the effectiveness of the internal control systems;
- monitoring risk management processes;
- following up management responses to external audit findings;
- following up management responses to internal audit findings;
- reviewing management statements in respect of corporate governance;
- monitoring payment of audit fees and non-audit service to determine independence of the external auditor;
- monitoring legislative compliance by management;
- establishing a system for reporting irregularities or illegal activities confidentially;
- assessing the capacity of the internal auditor and making recommendations; and
- analysing proposals for management distribution of profits.

Although this list by Bota-Avram (undated) appears lengthy, it significantly encapsulates key measures that can be used in assessing the effectiveness of the audit committee, based on the proposed responsibilities (Krishnan 2022).

As far back as 2010, Morgan (2010) recommended a performance assessment based on the balanced scorecard of Kaplan and Norton (1996 in Morgan 2010) to introduce a formal process to increase the efficacy and success of audit committees in South Africa. The author highlighted the four balanced scorecard dimensions of stakeholders: governance and performance; internal processes; and learning and growth and recommended that each audit committee develop its own strategic objectives for each of the four dimensions, with examples (Morgan 2010). A framework was provided which included the best practices that would be the components of an effective audit committee, measures, targets, effectiveness ratings and follow-up steps, with the responsible person being identified. Morgan (2010) recommended a formalised process of evaluation of the performance of the audit committee that would identify who would coordinate the process, ensuring acceptance by all members of the framework. A recommendation was made regarding various stakeholders who interact with the audit committee to be part of the initial input to the audit committee, which would be used to discuss the effectiveness of the audit committee and areas for improvement (Morgan 2010). Attention is drawn to the fact that there is no generic framework for either a self-assessment, as is required in respect of audit committees in local government within South Africa, or for any form of performance evaluation of the audit committee. It is for this reason, that the study makes particular mention of this, as part of the new contribution to the research that was undertaken.

## **GAPS IN LOCAL FINANCIAL GOVERNANCE CONCERNING THE EFFECTIVENESS OF AUDIT COMMITTEES**

According to Reichborn-Kjennerud and Johnsen (2018:1425), there is little research on whether performance audits result in actual changes in public administration. Furthermore, there are various gaps in the understanding of stakeholders of the audit committee's roles and responsibilities; functions and activities; capacity; knowledge, skills and attributes; as well as their levels of engagement and interactions with key financial governance role-players. These are according to Krishnan (2022):

- A large proportion of key role-players in local government do not know the income of their municipalities, so are unaware of the value of the public funds that they are required to oversee. This highlights a lack of diligence, which is a core principle of good governance, as included in the King IV report on corporate governance.

- Ethical behaviour is crucial to good financial governance, but the independence of the audit committee is questioned, given their appointment by management in most instances, and the fact that they must then hold the same management accountable.
- The functions of the audit committee, in an advisory capacity, are defined in the law. However, the approach of the audit committee to these functions would be different, based on whether it is an advisory body or an oversight body, both of which were cited as the role of the audit committee in the study.
- Deficiencies in the performance of audit committees emerged from the study, in relation to their level of interrogation and reporting on the review of annual financial statements, annual reports and interim financial reports.
- The skills of audit committees are biased towards financial and auditing qualifications. Other qualifications, skills or knowledge considered lacking, but necessary, to be effective include engineering, service delivery, performance management and, in particular, the need for a local government orientation and experience was viewed as important.
- From a practical perspective, there is an information gap, with management not supplying adequate and timely information or reports to the audit committee, as well as a lack of commitment on the part of management to respond to the audit committee on issues identified that require management's attention, including implementation of recommendations, attending meetings, and engaging on matters.
- There is a lack of self-evaluation by audit committees, despite this being a requirement of the International Auditing Standards, and there is no clear framework for self-evaluation.
- Limited audit committee meetings impact its ability to undertake its functions effectively and diligently.

In addition, Krishnan (2022) identifies some structural and institutional challenges, based on the relationships, interactions and dependencies among governance role-players. These are according to Krishnan (2022):

- The different views relating to the key role of the audit committee among financial governance role-players lead to an expectation gap. Fundamentally, financial governance stakeholders view the audit committee as an oversight body. However, the legislation defines its role as that of an advisor to the municipal council.
- A good internal auditing unit is crucial for an effective audit committee. This will also ensure that the audit committee is able to make a meaningful input into the internal control environment, and compliance with, and accountability for, improving financial governance.
- The level of engagement and the ability of the audit committee to coordinate and integrate the work of the internal and external auditors is weak. This is

due to the fact that engagements between the audit committee and external auditor are primarily limited to year-end processes for annual financial statement submission and reporting, leading to gaps in planning and execution of auditing work, and reducing the reliance placed by the external auditor on the work of the internal auditor.

- A poor relationship exists between audit committees and municipal councils, including with structures such as MPAC and the Executive Council of the municipality (EXCO), led by the mayor, within executive mayoral systems of local government.
- There is a lack of council oversight and performance monitoring and evaluation of the audit committee, with no interrogation of reports and information provided, and no formal evaluation of its performance. This includes the fact that there is no monitoring mechanism to track the implementation of recommendations made by the audit committee, despite adoption thereof by councils.
- There is a lack of councillor capacity to understand technical issues pertaining to financial governance and consequent commitment to engage meaningfully on reports of the audit committee.
- The inappropriate or deficient composition of the audit committee, based on suitability of members and their appointment process not being sufficiently rigorous, cannot ensure good financial governance.
- There is room for improvement through more intensive monitoring by the provincial and national departments on matters of governance.

## **A NORMATIVE FRAMEWORK FOR SELF-EVALUATION OF AUDIT COMMITTEES**

Morgan (2010: 92–110) undertook a conceptual exploration of formalising the process of assessment of audit committees in South Africa, where the aim was to determine whether their performance could be improved by such a formal process and recommended the use of the balanced scorecard. Morgan (2010:92–110) recommended regular performance assessment, offering a generic framework for assessment which, it was suggested, be adapted for different organisations. The study by the aforementioned author, although limited to the corporate sector, also highlighted capacity challenges of audit committee members and limitations in experience and skills, as far back as 2010. Morgan concluded that selecting qualified and independent audit committee members does not necessarily optimise performance.

A self-evaluation of audit committees by its members and the assessment of local financial governance across role-players will also assist in tracking the skills and knowledge improvements, while identifying further areas of skills and knowledge to improve understanding and enhance effectiveness.

In this regard, Table 1, presents the conceptual framework within which audit committees must, as required, undertake an annual self-evaluation to reinforce accountability arrangements in local government.

**Table 1: Audit committee self-evaluation conceptual framework**

| Focus area                                                                 | Parameters for evaluation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Tools/measurements                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit Committee Charter                                                    | <p>The charter must provide for:</p> <ul style="list-style-type: none"> <li>▪ Strategic agenda</li> <li>▪ Meeting procedures and administration</li> <li>▪ Frequency of meetings</li> <li>▪ Duties in relation to:</li> </ul> <p>External audit<br/>Internal audit<br/>Coordination of activities of external and internal auditors</p> <ul style="list-style-type: none"> <li>▪ Reporting obligations</li> </ul>                                                                                                                                                                                                                            | <p>Annual submission to council<br/>Council adoption annually<br/>Council monitoring quarterly<br/>Audit committee self-evaluation against charter<br/>External audit of adherence to charter annually</p>                                                                                                                                                                                    |
| Functions                                                                  | <p>Audit Committee</p> <p>Review of financial statements</p> <p>Review of annual report</p> <p>Review of interim reports</p> <p>Reviewing summary financial reports</p> <p>Reviewing accounting policies and practices</p> <p>Monitoring compliance with legislation and standards</p> <p>Approving the internal audit plan</p> <p>Monitoring the internal audit plan</p> <p>Reviewing risk registers and plans</p> <p>Audit committee as performance audit committee</p> <p>Reporting to council</p> <p>Where the audit committee serves as performance audit committee</p> <p>Review of annual report</p> <p>Review of interim reports</p> | <p>Annual work plan developed</p> <p>Quality of annual financial statements as reported by external auditor</p> <p>No audit findings in relation to financial management</p> <p>No audit findings in relation to performance management</p> <p>Reporting to council as per timelines set in charter</p> <p>Quality of reports assessed by provincial and national government stakeholders</p> |
| Engagement and activities in relation to financial governance stakeholders | <p><b>External audit</b></p> <p>Review external audit plans to prevent duplication with internal audit work</p> <p>Align internal audit and external audit plans to provide combined assurance</p> <p>Monitor and engage during external audit</p> <p>Consider the final management letter of external auditor</p> <p>Consider and provide input to the audit action plan, based on the external auditor's report</p> <p>Monitor the implementation of the audit action plan based on final audit report</p>                                                                                                                                 | <p>Self-assessment questionnaire completed by members and compilation of a consolidated report</p> <p>Discussion of report of the audit committee</p>                                                                                                                                                                                                                                         |

| Focus area | Parameters for evaluation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Tools/measurements                                                                                                                                                      |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | <p><b>Internal audit</b></p> <p>Plans made jointly with audit committee and internal auditor</p> <p>The preparation of a risk-based internal audit plan</p> <p>The preparation and implementation of the annual internal audit programme</p> <p>Review of internal audit plans ensuring coverage of key control systems</p> <p>Reporting by internal auditor to the audit committee on implementation of the plan</p> <p>Assessment and recommendations regarding:</p> <p>Internal controls</p> <p>Accounting policies and practices</p> <p>Risk and risk management</p> <p>Loss control</p> <p>Compliance</p> <p>Assessment of the implementation of recommendations given to management by internal auditor</p> <p>Discussion of significant internal audit findings and recommendations in appropriate detail</p> <p>Evaluation of internal audit</p> <p>Assessment of the performance of internal auditor</p> <p>Review of the adequacy of internal audit capacity and budget</p> <p>Confirmation that the internal auditor is operationally independent</p> <p><b>Management</b></p> <p>Assess and report on:</p> <p>Attendance of management at audit committee meetings</p> <p>Provision of information by management to the audit committee</p> <p>Provision of required financial reports, eg, budget performance</p> <p>Timeliness of provision of reports by management</p> <p>Discussions on reasons for significant variations in financial reporting</p> <p>Discussion on management letter</p> <p>Engagement between management and external auditor during the audit process, as coordinated by the audit committee</p> <p>General effectiveness of management</p> | <ul style="list-style-type: none"> <li>■ Submission of report to the municipal council, external auditor and provincial and national government stakeholders</li> </ul> |

| Focus area                    | Parameters for evaluation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Tools/measurements  |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
|                               | <p><b>Municipal Public Accounts Committee</b><br/> MPAC monitoring the implementation of recommendations to management through EXCO and portfolio committees<br/> Joint sittings of the MPAC and audit committee held to discuss reports</p> <hr/> <p><b>Municipal Council assess and report on:</b><br/> Council consideration of the audit committee’s charter annually<br/> Council consideration of the audit committee’s report quarterly<br/> Council formally adopting/amending recommendations<br/> Council monitoring the implementation of recommendations to management<br/> The council chairperson (mayor/speaker) discussing relevant matters with the audit committee<br/> The audit committee/chairperson attends council meetings to present and discuss reports of the audit committee<br/> Whether the municipal council has undertaken an evaluation of the performance of the audit committee and its findings/recommendations</p> |                     |
| Conduct and ethical behaviour | Assessment of member contributions, level of engagement and commitment, measured by preparedness for meetings undertaken by 360-degree feedback mechanism<br>Reports of unethical behaviours                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Report by committee |

Source: (Krishnan 2022)

The audit committee conceptual self-evaluation framework identifies four areas in respect of which the audit committee should be evaluated as part of a self-assessment. First, the development approval and implementation of its charter, which sets out its purpose, operations, duties and reporting obligations should be assessed. Together with the annual charter, a work plan should be developed with measurable objectives and targets against which the performance of the audit committee can be monitored. This would assist in determining the amount of time necessary for the audit committee to perform its functions and, consequently, the frequency of meetings and other engagements by the chairperson, in particular. This would allow for the audit committee to deepen its level of interrogation of reports, assessment of internal controls, risk management systems and processes, compliance, as well as governance. It would also guide the operations of the audit committee and enhance council’s oversight and auditing of the performance of the audit committee by the external auditor.

Second, the audit committee must evaluate its performance against the specific functions that it is expected to undertake, as a minimum requirement in terms of the law. This will allow for improved performance through the monitoring and reporting on the effectiveness of the audit committee and the impact of its functions on audit outcomes of municipalities.

Third, given the fact that the effectiveness of the audit committee is dependent on interaction with other financial governance structures, it should evaluate its level of engagement and activities in relation to these stakeholders, namely the external auditor; the internal auditor; management; the MPAC; and the municipal council. This aspect of the assessment can be undertaken through a self-assessment questionnaire completed by members; the compilation of a consolidated report; the discussion of the report of the audit committee at a meeting of the committee for adoption; the recording of comments from members; and, of importance, the submission of this report to the municipal council, the external auditor, and provincial and national government stakeholders. The questionnaire utilised in the quantitative assessment of this study for audit committee members may be tailored and adopted for use by municipalities. The objective of assessing the effectiveness of the audit committee in relation to other financial governance structures will improve accountability of structures, coordination and engagement within the municipality, and should ultimately serve to improve the confidence of communities in local financial governance.

Finally, the conduct and ethical behaviour of the audit committee must also be assessed. Based on an assessment of member contributions, the level of engagement and commitment of members can be measured by their preparedness for meetings, which can be undertaken through a 360-degree feedback mechanism. Reports of unethical behaviour should indicate remedial action or recommendations pertaining to members. This would ensure professionalism and ethical behaviour by members of audit committees and mitigate the risk of influence by politicians, management or any other person, thereby fostering independence.

## **CONCLUSION**

The audit committee is established as a committee that is part of a municipal council in accordance with Section 166 of the MFMA and reports directly to the council. Its roles and responsibilities, functions and activities, as well as interactions with key governance stakeholders, are defined in legislation, policy and governance frameworks; in particular, the King IV report on corporate governance and the MFMA, respectively. The audit committee is responsible for the monitoring and oversight of key financial processes, including the internal and external

auditing process and responses to audit outcomes; the financial monitoring of expenditure and value-for-money; compliance; and in a majority of instances, it also serves as the performance audit committee of a municipality. The audit committee, within the local financial governance context, interacts with the municipal council; the MPAC; mayor and executive committee; accounting officer and management; and internal auditors and external auditors, as key stakeholders.

Extensive research has been undertaken in an attempt to define what constitutes an effective audit committee, with dimensions ranging from behavioural characteristics to operational procedures, statutory roles and responsibilities, and approaches to exercising oversight as well as engagement. The interrelationship between the governance structures with the audit committee as central in relation to various stakeholders is also significant, highlighting that there are certain dependencies for its effectiveness which also require measurement in the context of the audit committee as a governance structure within a financial governance framework.

The article presented a model for enhanced local financial governance and a self-evaluation conceptual framework for audit committees. It is suggested that this model and framework could ultimately ensure good and effective local financial governance and accountability to citizens in local government, as these two areas are extremely constrained following the spate of recent events in the country, and the current status of several municipalities in the local sphere of government. Ultimately, it is also responsible for providing assurance to citizens that the financial governance framework within local government is sound, thereby ensuring accountability in the use of public funds and enhanced municipal service delivery.

## NOTE

- \* The article is partly based on a thesis for the degree Doctor of Administration completed in 2022 under the supervision of Prof Mogie Subban at the University of KwaZulu-Natal, titled: Krishnan, H.B. 2022. *Local financial governance and accountability through audit committees in KwaZulu-Natal*. Durban: University of KwaZulu-Natal.

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# **Analysing Budget Management in the Public Healthcare Services Delivery Sector**

## **A Case of District Hospitals in Malawi**

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### **ABSTRACT**

This article explores budget management in the public healthcare services delivery sector in the district hospitals of Malawi. The government of Malawi continues to allocate finances to support public healthcare services delivery; however, quality of services delivery remains poor. This is attributed to among other factors, poor budget management practices. The methodology entails a qualitative approach where data was collected through a review of literature of documents on government budgeting and individual semi-structured interviews. The study participants were purposively selected key-informants who were deemed to have a deep understanding of budget management in the district hospitals through their various roles. It was found that budgeting in the public healthcare delivery sector in Malawi is flawed and lacking; as such, the sector fails to achieve its public health services delivery goals. Specifically, the study reveals that budget management in the district hospitals lacks flexibility, faces limited government funding allocations, encounters late government funding, has a weak funding allocations formula and experiences ineffective budget evaluations. The study findings provide empirical evidence that explains budget management gaps that exist in the public healthcare sector in Malawi, and consequently, establishes a basis for recommendations to the government on the need to improve budget management practices.

## INTRODUCTION AND BACKGROUND

Budgets are deployed by all types of entities to support managerial functions. Public and private organisations use budgets to effect financial planning and control (Di Francesco and Alford 2016:234). According to Penyak (2018:142), budgets provide direction on finances. By the same token, Anessi-Pessina, Barbera, Sicilia and Steccolini (2016:493) underline that a budget is a tool for “bargaining and allocating power and resources, for planning and controlling, and for ensuring transparency and stakeholder involvement”. Fundamentally, “a budget is a management tool that is used in pursuit of organisational goals” (Gambo, Inuwa, Usman, Said and Shuaibu 2019:1). Jaelani (2018:213) claims that efficient and effective budget management assists in the management of budgetary variations, thereby aiding in control of resources. The aforementioned scholarly arguments express the significance of budgets in the discharge of managerial functions of planning, directing, allocation and controlling of finances with the key objective of achieving organisational goals. Consequently, budget failures in resource allocation and control, result in poor quality service delivery and for the public sector, this may have long-term implications for governments (Mutambara and Chinyoka 2016:34). Accordingly, in the public sector, where one of the major roles is provision of public welfare, budget management is vital (Ajibolade & Oboh 2017:218; Anessi-Pessina *et al.* 2016:491). Thus, public sector management places emphasis on the budget as it is a tool for public goal achievement.

In contrast, the budget has been used to misappropriate and mismanage public finances (Ajibolade and Oboh 2017:224). The observation on the use of budgets to mismanage public finances gives rise to the principal-agent debate, whereby, in pursuance of self-interests, agents allocate and utilise finances entrusted to them for causes other than achievement of goals which serve the public interest. This demonstrates that achievement of public goals can be derailed if the budget which is an enhancer of public financial management is deliberately used to misappropriate resources. With specific reference to the public health sector, Capuno, Rivadeneria, Beazley, Maeda and James (2018:94) point out that effective and strong processes in budgeting are ingredients for healthy spending. Further, the tasks of resource prioritisation and allocation when making plans and budgets in the health sector is a technical as well as a political process (Tsofa *et al.* 2021:22). Such a mix of dimensions to budgeting, adds complexities to public sector budget processes.

Despite the contradictions associated with the New Public Management (Pollitt and Bouckaert 2011:12); the concept promotes a high level of public administration effectiveness through proposed changes including decentralising leadership, which contributes to improved public resource usage and, consequently, better quality of public services (Wirnska 2014:109). The introduction of New Public

Management was meant to reform public sector management. For South Africa, the adoption of New Public Management principles like “participatory planning, decentralisation, performance management, effectiveness and efficiency were meant to improve public resource management” (Munzhedzi 2020:1). Accordingly, in 1998, the government of Malawi decentralised political and administrative authority to local level and this was aimed at improving economy, efficiency and cost effectiveness in service delivery; promoting accountability and governance; advancing socio-economic development; and creating democratic institutions in Malawi for improved governance that facilitates decision-making at all levels (Ministry of Health 2017b:25). Consequently, management of the public healthcare sector including financial management in Malawi was decentralised at district level (Borghi, Munthali, Million and Martinez-Alvarez 2018:60). However, councils and hospital management have limited authority over funding and spending decisions as they have partial control of the budget, for example, the drug and emoluments budget is done centrally (Piatti-Fünfkirchen, Chansa and Nkhoma 2020:iii).

Decentralisation was meant to enhance public service delivery in the sector according to Frumence, Nyamhanga, Mwangu and Hurtig (2013:20983); but it is noted that service delivery remains poor. This has been attributed to among other factors, poor budget management practices. The healthcare delivery sector in Malawi has challenges in managing budget processes from budget formulation to implementation. O’Neil *et al.* (2014:29) argue that the public healthcare delivery sector in Malawi experiences uncoordinated planning and funding whereby processes at sector and district level overlap or run in parallel. In addition, the risk of budget failure in financial planning and budgeting, monitoring and evaluation in the public healthcare delivery sector in Malawi is high (Ministry of Health 2017a:57). This state of affairs confirms the position of Pollitt and Bouckaert (2011:24) that adoption of a particular management tool does not guarantee its success as it may fit well, but contradict and reduce its impact. Therefore, management should analyse the adopted tools to determine the strategies needed to enhance expected outcomes.

This study attempts to explore the budgetary system in Malawi’s public healthcare delivery sector and provide solutions, if any, for improvement. The study endeavours to answer the following research question: To what extent is the management of public funds for healthcare service delivery in Malawi challenged?

## **THEORETICAL FRAMEWORK AND CONTEXTUALISATION**

This section brings into perspective the application of the agency theory to the practice of public sector budgeting. In order to appreciate the role that budgeting

has on the public healthcare delivery sector, the agency theory has been identified and used to discuss the implications of budgeting in the sector. Furthermore, empirical studies relating to public sector budgeting in a public sector healthcare service delivery have been brought into the discussion.

## **Budgeting and the agency theory**

This study is guided by the agency theory. The agency theory articulates contractual obligations between a principal and an agent in which the latter is expected to undertake institutional management on behalf of the former (Eisenhardt 1989:58; Panda and Leepsa 2017:77; Snippert Witteveen, Boes, and Voordijk 2015:571). More importantly, the study is aligned to the agency theory as Smith and Bertozzi (1998:2) point out that the theory better explains the contractual relationship between principals and agents in relation to budgetary issues. Such types of relationships are a common occurrence in many organisations and are more inherent in the public sector. As explained by Leruth and Paul (2007:105), the head of the ministry is the principal and the employees serving the ministry are the agents. By inference, the public healthcare delivery sector engages managers entrusted to manage public finances and deliver health outcomes on behalf of the principals. In order for the agents to discharge their responsibilities and the principal to ensure that their expectations are fulfilled, they need the budget to plan, bargain, allocate and control financial resources (Anessi-Pessina *et al.* 2016:493). However, the agency theory is challenged with 'agency problems' (Eisenhardt 1989:58; Keay 2017:1296; Panda & Leepsa 2017:79; Smith and Bertozzi 1998:3), which according to Leruth and Paul (2007:108); Smith and Bertozzi (1998:3) are goal incongruences and information asymmetry between the principals and agents. Consequently, the prevalence of budget management challenges could be attributed to agency problems as captured in agency theory.

## **Public sector management and budgetary issues**

Among governments, the major budget processes are ideally the same and cover budget formulation, approval, execution and evaluation (Andrews *et al.* 2014:2). Cashin *et al.* (2017:10) contend that each of the processes in the budget cycle needs to be complied with. In support, Piatti-Funfkirchen and Schneider (2018:338) explain that, the budgetary processes are connected with service delivery since the success of the budget depends on its preparation and implementation (Ajibolade and Oboh 2017:224; Ruiz *et al.* 2019:119). Being an important system of management control, each step in the budgetary process is crucial, hence, budgeting entities should ensure that budget management is thorough (Mutambara and Chinyoka 2016:33). Thus, all the stages in budget preparation

and management should be flawless if the budget is to be effective in attaining organisational goals.

Since developing countries face pressure to improve performance, Alkaraan (2018:588) appeals to those in charge of making financial expenditure decisions to ensure that they are properly guided when making financial plans and decisions. Regardless of the divergence of the 'economic' and 'routine' approaches to public budgeting, Di Francesco and Alford (2016:235) dispel perceptions that public sector budgeting is just a technicality and maintain that it presents the core of finance allocation and management.

The ensuing debate leads to the point that weaknesses in the budget process could result in budget management deficiencies. For instance, production of health policies, planning and budgeting are not coordinated; as a result, priorities in the health sector and funds provided by the government do not agree (World Health Organisation 2016:21). Thus, it is observed that there has to be alignment of budget activities by the health and finance officials to allow for synchronisation of funding and institutional activities. For instance, in the Philippines, the government introduced a compendium of public financial management reforms that oversee formulation and planning of budgets (Capuno *et al.* 2018:93). Unfortunately, it is recorded that healthcare service delivery budgets which are decentralised at local level continue to experience a weak connection between the budget for health, plans and goals (Capuno *et al.* 2018:93). This signifies that it may not be enough to have measures aimed at budget production and implementation but also to consider having appropriate institutional budget structures whose scope is intra-, inter- and departmental with appropriate staffing and policies. Thus, changes in organisational structures in public management reforms should be comprehensive to address the needs that the changes demand, if the reforms made are to be effective (Pollitt and Bouckaert 2011:17). As scholarly works indicate in the next section, budget management is a critical area in the public healthcare service delivery sector.

## **Budget management and the healthcare service delivery sector**

Budget management is crucial in public sector management according to Anessi-Pessina *et al.* (2016:491) and by extension, it is equally central in public healthcare service delivery sector management. The World Health Organisation (2016:8) underscores that the achievement of health goals does not only depend on availability of finances; but also, on the effective and efficient use of allocated funds. This observation puts up a case for effective budget management, as Pollitt and Bouckaert (2011:1) claim that good management presents a marked influence on governments. Flawed budget management impacts on attainment of objectives, as was the case in Nigeria where economic growth was not achieved, despite

increased funding (Ajibolade and Oboh 2017:233). The budget's functional importance in planning and implementation cannot be appreciated if it is produced only to satisfy procedural requirements (Iyoha and Oyerinde 2010:370). The basis for such arguments are that finances for the public healthcare sector are not utilised and distributed in the most favourable way, as a result, marked priority areas and populations are not adequately served; deficiencies in financial management have led to incomprehensive and unsystematic execution of public health budgets and thereby, missing prospects of improved health outcomes (World Health Organisation 2016:8). Funding issues in the public hospitals in Malawi have contributed to inadequate health inputs leading to preventable deaths according to Mbuya-Brown and Sapuwa (2015:4), limited access to healthcare, higher than expected maternal and child mortality and low-quality healthcare services (Ministry of Health 2017b:13).

The health sector faces its own complexities and challenges; hence, financial management should accommodate this unique nature of the healthcare service delivery. For instance, Cashin *et al.* (2017:15) point out that the uncertainty in resource requirements, especially in predicting for individual health requirements and unforeseen crises in the healthcare sector, leads to funding allocation challenges. Cashin *et al.* (2017:2) suggest that health budgets should be accorded specific provisions that address the uniqueness of the sector. Often, the healthcare service delivery sector is expected to deliver as desired, despite that inputs may be erratic and unstable, rendering effective budget management unattainable (Flink 2017:1). It is crucial that organisations should attain budget goals and the budget itself needs to be properly managed. As is typical with public sector management reform initiatives across the globe the public sector struggles in achieving consistency and responsiveness of budget processes on the one hand and organisational flexibility on the other (Di Francesco and Alford 2016:233). In addition to this general observation, the health sector faces budget challenges unique to its nature that require flexibility in the management of funds if equity, efficiency and quality are to be achieved (Cashin *et al.* 2017:15). The point that the health sector presents inherent forecasting challenges cannot be denied. The argument is that flexibility should be applied in producing and managing health budgets in order to reflect the uncertain and inherent nature of health services provision which prevents accurate forecasting. As it will be noted next, budgeting in the health sector faces budget management challenges.

## **Budgeting in the health sector and its deficiencies**

Poor budget management may have repercussions on the implementation of health policies and consequently, attainment of financial goals (Piatti-Funfkirchen and Schneider 2018:336). Hence, public goals can be achieved if budget

management is effective and efficient. In public sector management, public financial management is concerned with financial management using the budget (Piatti-Funfkirchen and Schneider 2018:336). The budget is thus, an important tool that facilitates management and goal achievement in the public sector. The diversity in its functionalities strengthens its importance in institutional management. A strong budgetary process is a good ingredient for effective spending in the healthcare sector; consequently, effective and efficient healthcare budgets should be devolved to the local level while governments should continue to reform financial management at the national level (Capuno *et al.* 2018:93). Specifically, referring to the resource-constrained healthcare delivery sector in Malawi, rigorous planning and budgeting systems are crucial (Twea *et al.* 2020:3). Further, gaps that are prevalent in the budgeting processes and management need to be identified and researched on to improve public financial management in general and budgeting in particular. In this regard, Anessi-Pessina *et al.* (2016:506) hold that research on budgeting contributes towards external accountability and stakeholder inclusion. The budget, therefore, remains a crucial tool for management and achievement of goals in the public sector, as such, there is a need for political will to ensure that appropriate public financial management reforms are identified and implemented. The need for meticulous budgeting, particularly in the public healthcare delivery sector, is strongly advocated for, since financial planning and management has significant implications on healthcare delivery (Piatti-Funfkirchen and Schneider 2018).

In Africa, there are myriad challenges when it comes to budgeting for the health sector. It has been observed that the sector is not prioritised when distributing public revenues; and is inadequately funded (World Health Organisation 2016:34). Furthermore, budgets are produced using historical data and there are inequitable budgetary allocations (World Health Organisation 2016:34). Le Gargasson, Mibulumukini, Gessner and Colombini (2014:1040) add that the public healthcare sector faces excessive usage of off-budget procedures and that limited human resource capacity, lack of motivation in budget preparation and implementation, interference on funds flows from ministries and dependence on donors' disbursement schedules, are causes of inefficiencies in budget management. It is believed that if such budget management challenges are managed, the sector would experience efficiency and effectiveness in financial use. In Nepal, financial management was decentralised in a bid to improve resource allocative efficiency, but it is noted that this was not achieved. In a bid to improve management of health expenditure, financing authorities and health managers are encouraged to cooperate to be able to fully utilise funding allocations to health (World Health Organisation 2016:34). Tsofa Molyneux and Goodman (2016:261), therefore, argue for increased research into issues affecting planning and budgeting in the public healthcare sector.

## **Allocation of financial resources in the public healthcare delivery sector**

Multiple scholarly works reveal that the public healthcare sector in many countries experiences inequitable allocation of resources (Christian & Crisp 2012:725; Clemente, Lázaro-Alqu  zar and Monta  n  sa 2019:507; Morton 2014:165). For instance, South Africa is said to be failing in providing high quality healthcare despite the financial resources that go into the sector due to among other causes, inequalities in resource distributions (Christian & Crisp 2012:725; South African Lancet National Commission 2018:1). In Sudan, unequal allocation of resources for health has resulted in poor performance of the health system and variations in service delivery (Ismail 2020:1105). In Tanzania, Kuwawenaruwa, Borghi, Remme and Mtei (2017:124) record that there are inequities across public healthcare facilities and argue for improved monitoring and strengthened reporting systems. Clemente *et al.* (2019:503) state that the existence of financing inequalities amplifies variations of health outcomes among populations.

Inequalities of financial resource allocation in the public healthcare service delivery sector is a common occurrence and is fuelled by information gaps regarding population health statistics (Morton 2014:165). The traditional funding allocation basis of using capacity and not demand for healthcare services is seen to be inappropriate in ensuring equitable resource allocation. Distribution of finances for health service delivery is not optimal, consequently, disadvantaged populations may fail to access medical care (World Health Organisation 2016:25). It follows that, there are poor health outcomes in areas where countries are experiencing inequitable distribution.

### **The public healthcare service delivery sector in Malawi**

Public healthcare services delivery in Malawi is offered at community, primary, secondary and tertiary levels which are connected through a referral system (Makwero 2018:2; Ministry of Health 2017a:2). According to Bashar, Bhattacharya, Tripathi, Sharma and Singh (2019:1511), a referral system is a process whereby low-level facilities pass on patients to upper levels for better management. Following the decentralisation of the healthcare delivery sector to the local government level, Directors of Health and Social Services were made responsible for district healthcare service provision which covers the community, primary and secondary levels and they report to the District Commissioners (Twea *et al.* 2020:2).

In terms of budget control, Twea *et al.* (2020:2), explain that Directors of Health and Social Services are responsible for other recurrent transactions, earmarked recurrent budgets for emoluments and drugs; while the capital expenditure budget

is centralised. According to Cashin *et al.* (2017:32) procurement of essential medicines, health consumables and equipment in the healthcare sector of many low- and middle-income countries is centralised and they note that this leads to reduced flexibility. They recommend centrally negotiated purchase agreements; and decentralised procurements since supply directly matches with demand. District hospitals get their monthly budgetary allocations through the Treasury in the Ministry of Finance but also receive additional support from donors (Piatti-Fünfkirchen *et al.* 2020:2). This study specifically focuses on budgeting issues relating to government funding in the district hospitals. Thus, the interest of this study is to interrogate and understand the limitations of the budget processes and management faced by the public healthcare service delivery in Malawi and how such challenges, if any, may be addressed.

## **Budget formulation**

Budget formulation relates to how expenditure priorities in the healthcare sector are established, approvals obtained and allocation of funds done (Piatti-Fünfkirchen & Schneider 2018:338). The budgeting approach in the public sector in Malawi is the medium-term expenditure framework which incorporates national priorities and policies (Ministry of Finance Economic Planning and Development 2016:6). The framework provides limits to budgetary provisions which are supposed to be prioritised in line with policy objectives. Health sector needs are determined by bottom-up consultations where lower-level players articulate their needs. Furthermore, the Treasury communicates funding ceilings in advance on which to base budgeting. The guidelines also explain that usually the ceilings do not vary in between the years and institutions commence budget preparation even prior to receiving the budgetary ceilings, save for annual adjustments that barely alleviate inflation effects. This entails that there is no link between assessed healthcare needs and funding commitments. With reference to the medium-term expenditure framework, annual budgets are formulated that stipulate anticipated activities in a financial year (Piatti-Fünfkirchen *et al.* 2020:6). Public budgets in Malawi are formulated using the top-down and bottom-up approaches (Government Malawi 2014:20). The top-down approach relates to policy direction and ensures that government priorities are identified and incorporated in the operational plans and budgets. On the other hand, the bottom-up budgeting involves a review of programmes to be undertaken by the respective departments in line with any pronouncements made by central government. Piatti-Fünfkirchen *et al.* (2020:12) point out that budget protocols in the public sector in Malawi in general and the health sector in particular, stress on effecting control and not on achieving operational flexibility, thereby undermining best practices in budget management. Such rigidity is a constraint in the health sector where unplanned eventualities

arise and cannot wait for protocol, like the Covid-19 crisis management and response. This leads to the argument that officials need to be innovative in solving budget problems if they are to excel. The approach to budgeting in the health sector in Malawi confirms that principals indicate their preferences by directing their expectations to the agents, that is, the top-down budget approach; and the agents acknowledge the principals' position by aligning their plans accordingly. However, funding constraints prevent the agents from undertaking activities aimed at achieving goals on behalf of the principals. This is notwithstanding the fact that agents would pursue interests other than those of the principals at the expense of limited funding, thereby further compromising goal achievement.

## **Budget execution**

Budget execution covers implementation of budgets in financing healthcare services (Piatti-Funfkirchen & Schneider 2018:338). In line with the provisions in financial planning, government funding follows programme cash flows in order to strengthen budget execution (Government Malawi 2014:28). In addition, transfers of financial resources are provided for, subject to acquisition of the necessary approvals and notifications (Government Malawi 2014:28). Piatti-Fünfkirchen *et al.* (2020:iv) state that the budget execution stage is subject to adherence to laid down procedures but note that these inhibit flexibility as the focus is to institute controls. For instance, funds cannot just be shifted from one budget line to the other without passing supplementary budgets. According to Piatti-Fünfkirchen *et al.* (2020:iv), the effect of flexing such rigidities would be seen in that internal controls have been violated, thereby, contravening the Public Finance Management Act 7 of 2003. Basically, this is a weakness of agents who manipulate the internal control systems.

## **Budget monitoring, reporting and evaluation**

Budget evaluation is a review of budget implementation (Piatti-Funfkirchen & Schneider 2018:338). This is supported through the reporting and monitoring functions. Accordingly, monitoring, reporting and evaluations are meant to point out challenges encountered and achievements made to inform and enhance decision-making, performance delivery and the execution of budgets. Budget evaluations are important as they provide a basis for oncoming budget decisions (Piatti-Fünfkirchen *et al.* 2020:v; Piatti-Funfkirchen & Schneider 2018:338). Malawi undertakes integrated monitoring, reporting and evaluation in which budget implementers provide feedback on how the budget has been implemented (Government Malawi 2014:6). However, it is revealed that the evaluations that take place are not linked to the budgetary performance in the public

sector, for instance, it is claimed that evaluations do not inform budgetary allocations but rather funds are allocated based on past allocations (Piatti-Fünfkirchen *et al.* 2020:v).

This study was based on the agency theory. This was deemed more suitable due to the inevitable nature of the existence of agency relationships in a public sector management in general, and the specific provisions in budget management in the public healthcare sector. As debated herein, the public healthcare sector the world over faces myriad budgeting deficiencies which consequently affect service delivery, which inevitably require interventions, if the sector is to achieve its objectives.

## **RESEARCH METHODOLOGY**

This is a qualitative study using data collected from literature reviews and semi-structured key-informant interviews. The researchers reviewed literature on published articles and government policy documents on public financial management and budgeting in the public sector generally and specifically on the health sector. Of the participants to the interviews 10 were purposively sampled officials with in-depth knowledge of budgeting issues in the public healthcare sector. These officials were from hospital management, Councils, National Internal Audit, National Local Government Finance Committee and Civil Society Organisations. The interviewees were made up of Directors for Health and Social Services (2), hospital accountants (2), Executive Director for Civil Society Organisation, Director of Finance, Financial Analyst, Internal Auditor, External Auditor from the National Audit Office and a District Medical Officer. The interviews were tape-recorded and transcribed. The transcripts were reviewed and themes were established.

## **RESULTS AND ANALYSIS OF FINDINGS**

The study explored budget management in the public healthcare services delivery sector in Malawi. Interviews were conducted with key informants on budget management. This section presents findings and results from themes that developed from the key question 'To what extent is the management of public funds for healthcare service delivery in Malawi challenged?' Direct quotes from participants are used to stress a point and enhance data integrity and this was discussed alongside related literature. Identities of research participants are concealed and codes are used instead to maintain their anonymity in line with ethical requirements.

## **Inflexible budgets due to standardised budgeting**

The findings from the study reveal that budget preparation and management is inflexible due to pronouncements and directives from the central government. All district hospitals in Malawi are compelled to abide by the set guidelines. In line with this argument, an interviewee (NAO1) observed that:

“The Ministry of Health would provide guidelines. Since we have the National Health policy that document guides the hospitals including the district hospitals what to prioritize in their health budget. The Ministry of Health has to communicate through its policy and other circulars so that district facilities should actually put those in spotlight when they are doing their budgeting”.

This ensures that there is uniformity in the budget process as well as in managing the budget in the public district hospitals. In support of consistency, Di Francesco and Alford (2016:233), underline that public sector budgeting should follow prescribed rules on resource allocation, transfer and expenditures to be accountable.

The budget prescriptions extend to funding allocations for various activities within the hospitals. For instance, hospitals are guided on how much of the allocations should be devoted to particular expenditure items. As a participant (DHSS1) explained:

“We are given guidelines to say for example how much of that money will go towards say utilities. There is a guide as how much funding goes towards internal trainings for example”.

On the contrary, the ‘practices and norms’ in public budgeting are seen to deter the flexibility that public institutions require (Di Francesco and Alford 2016:232). This applies more to the public healthcare service delivery where some flexibility in budget management is necessary due to the uncertain and inherent nature of the sector. Di Francesco and Alford (2016:236) claim that rigid application of authoritative budget statements would inhibit flexibility to the extent that budget rules restrict the extent to which funds are allocated. This may point to trust deficits between principals and agents. In pursuit of goal alignment that the agency theory is challenged with, principals announce measures meant to ensure that agents act in accordance to the objectives of the principals.

## **Late funding**

Public hospitals, like most government institutions in Malawi, are funded every month. The study findings indicate that the public health sector in Malawi is challenged with late government funding. Such experiences were narrated by participants who expressed that their institutions receive government funding late and that this affects service delivery. An interviewee (DMO1) observed that:

“...the times at which the monies come through, that’s the one that delays. I will give an example, for example, our February funding is not yet in at the moment and this is March”.

A further clarification of the consequences of late funding to the hospitals is what a participant (ACC1) pointed out that:

“The challenge is that as a hospital, the hospital needs to run each and every time, we have a lot of activities, the timelines of the funds leaves a lot to be desired. We receive funds mostly very late and we have dire need of essential items”.

Late funding has been seen to have repercussions on hospital operations (Piatti-Fünfkirchen *et al.* 2020:v). Other countries face similar challenges, for instance, Nigeria (Akortsu & Abor 2011:128); Tanzania (Frumence *et al.* 2013:20983) report of delayed government funding to the health facilities. These inefficiencies on the part of the principal in providing for resources affects goal attainment by agents who despite having the skills and expertise to undertake delegated responsibilities are handicapped due to resource constraints.

## **Inadequate budget allocations**

The study findings indicate that the budgetary allocations provided to the health sector are insufficient to cater for healthcare services delivery requirements. A participant (ACC2) explained that:

“we are restricted by the ceilings communicated to us by Treasury. Normally the ceiling is what restricts us that we should not do all those. Normally we trim the budget projected on the various activities because of the ceiling. It’s not an ideal situation”.

From the foregoing findings, it is evident that the ceilings are not reflective of the needs of the hospitals. Furthermore, despite the stable increases in nominal values of the allocations over the years, Piatti-Fünfkirchen *et al.* (2020:iii) reveal that the real value of funding is eroded by inflation. In agreement, a participant (DHSS2) stated that:

“Funding trends over the years has been a constant increase about 10% nominal increment but with inflation, this is no increase in value. Ideally, there has been no increase at all”.

District hospitals budget only up to a predetermined budgetary allocation which is not reflective of hospital needs. The allocated budget provisions are not enough to support service delivery (Piatti-Fünfkirchen *et al.* 2020:ix). Despite being aware of this challenge, the healthcare budget remains at an average of 10.8% of total government expenditure (Ministry of Health 2017b:25); which is below the Abuja Declaration target of 15% of national budget. Gambo *et al.* (2019:11) emphasise the need for provision of adequate funding for health to support national health goals. In addition, Borghi *et al.* (2018:63), confirm that globally, government funding is usually inadequate for healthcare needs. Thus, the mismatch between budget requirements and allocation entails that the consultations that are undertaken to determine budget requirements are not considered in determining funding allocations.

These findings contrast with the spirit in the agency theory as, according to Leruth and Paul (2007:106), agents are expected to produce stipulated output having been provided with funding to support operations. The study results herein, imply that the principal is failing to support the agent with the adequate resources meant to be used for healthcare service delivery, consequently, making agents less accountable for results.

## **Inequitable funding allocations to hospitals**

The study findings show that central government allocations to district hospitals are not equitable. Thus, it shows that the resources that are shared among the hospitals do not reflect the need of the individual hospitals. Respondents to this study observed that funding is allocated to district hospitals based on preceding years' allocations. An interviewee (DHSS2) said:

“...so that ceiling most of the times is determined by either the previous year funding, so the increase it by maybe 10... 5%....”.

In addition, a participant opines that the formula that the government uses to share the funds at the national local government level is not clear, is lacking and needs improvement. A participant (DHSS1) narrated that:

“I think the other way would be to see how they do the allocations for the funds, to say, do they really reflect the population that we have? Does that really put into consideration the distance to referral facilities...?”

The National Health Policy advocates the “right to good health, and equitable access to health services without any form of discrimination to all people of Malawi” (Ministry of Health 2017b:22). This pronouncement entails that resource allocation should be equitable in order to reach out to all. Sharing of financial resources among

hospitals should reflect demand or need for healthcare which could be different across districts. In agreement with the study findings, Borghi *et al.* (2018:60) observe that funding across districts in Malawi varies greatly. The rise in decentralised management and delivery of public services in the low- and medium-income countries calls for a realistic and impartial formula for resource allocation (Twea *et al.* 2020:1). Despite that the resource sharing formula for Malawi was reviewed in 2019; its implementation is partial with funds allocations still based on historical figures (Piatti-Fünfkirchen *et al.* 2020:19). The allocation sharing formula that is currently used in the district hospitals in Malawi is not reflective of considerations for equity as it is based on ‘input historical budget’ and because there are shifts in disease burden and urbanisation, matters of equity are not satisfied (Piatti-Fünfkirchen *et al.* 2020:iv).

Similar observations on use of historical figures, incrementalism, to apportion finances are also made elsewhere (Islam, Akhter and Islam 2018:66; Maharaj, Robinson and Mc Intyre 2018:190; Regmi, Naidoo, Greer and Pilkington 2010:372). This implies that inequalities and inefficiencies in the initial formula would continue to affect funding allocations over the years. According to Ibrahim (2019:323), despite that incrementalism eases the budgeting process, it leads to wastages and Ibrahim recommends the zero-based approach to budgeting which allocates resources based on merit of the activities to be undertaken. By implication, the best resource allocation basis for public healthcare services delivery is that based on need. The higher the demand for healthcare services, the higher should be the allocation for resources, otherwise, health delivery sectors will continue to have health coverage and access gaps. Thus, a need-based approach to resource distribution ensures that subnations that require more funding are taken care of, thereby improving overall health outcomes in line with the agency theory.

## **Restricted budget amendments/reviews**

It is emerging from the study that budget reviews are restrictive as users are accorded a single opportunity in the financial year to review the budget. Further, the study reveals that the reviews only involve moving financial resources from one budget line to the other and not necessarily to accommodate increased demands for financial resources. A participant (FA1) stated that:

“...they are allowed to do ‘virements’ at midyear they are allowed to do ‘virements’ but basically these ‘virements’ they probably have made a provision higher say for utilities but then probably they have seen that most basically is just reallocating within the ceiling”.

Budgets are prepared under assumptions and are meant to guide expenditure in a given period. In a world of uncertainties where assumptions do not always

hold true, especially in the healthcare service delivery sector, there is a need that budget management be flexible. Di Francesco and Alford (2016:232) stress the importance of flexibility in public sector management which is associated with complexity, economic and political instability. The health sector is inherently a complex sector with uncertainties that necessitate flexible management of budgets. Flexible budgeting in the public sector can be defined as the ability of a government to deal with opportunities and challenges in a timely and efficient way (Choi and Coffey 2011:118). Moreover, enhanced flexibility enables public sector institutions to effectively achieve results (Di Francesco and Alford 2016:232). In addition, Piatti-Funfkirchen and Schneider (2018:336) hold that budget management in the public sector is faulted for being inflexible in the provision of additional resources.

## **Ineffective evaluations**

The findings of the study confirm that, though management of finances in the hospitals is evaluated, the results of the evaluation do not inform decisions regarding budget management. An interviewee (DHSS2) made the following observations:

“...it’s about the actual evaluation, to say we have done the evaluation of your funding...The evaluation of your performance does not really affect the funding that you will get in the subsequent year. For example, we realize that we are struggling to do some key issues, some basic issues and you have that report that would really determine whether they would get more funding, so that also is another challenge that we have on the budget”.

When implementing budgets, there is a need for performance evaluations to inform set budget objectives (Wagner, Petera, Popesko, Novak and Safr 2021:603). In line with the agency theory where the principal delegates responsibility to discharge their responsibility to the agents, the need to evaluate performance is important. Such evaluations should be used to gauge attainment of organisational objectives which is in the interest of the principal.

District hospitals in Malawi face budget challenges which impact service delivery. Such challenges include late and inadequate government funding, ineffective budgetary evaluations coupled with inequitable funding allocations.

## **CONCLUSIONS AND RECOMMENDATIONS**

The budget is an important tool that supports management to discharge its administrative functions in the quest to achieve organisational goals. The study

argues for the importance of effectively managing the budget. In public sector management in general, and the health sector in particular, budgets are prepared subject to set limits by the government, thereby missing the connect between finance availability and requirements. Despite the fact that funds are disbursed to hospitals in accordance to submitted cash flows, these are usually submitted late and are insufficient, thereby disturbing the healthcare services delivery supply chain. Furthermore, the prescriptive nature of public sector management makes budget management rigid which is not ideal given the uncertain nature of hospital operations. Budget management in the health sector is faulted for disregarding information obtained from budget evaluations. Evaluations are meant to improve decision-making. The persistent inadequate fundings cripple operations as often hospitals and health facilities are left to operate with minimal resources at the expense of patients' and staff welfare. The funding allocation formula that is currently used, is inequitable and promotes variations in healthcare service provision.

The study reveals contradictions presented by public management reforms. It is imperative for governments to scrutinise the budgetary challenges prevalent in the public healthcare delivery services sector and address them, otherwise, public health service delivery will remain poor. Thus, a well-managed budget is a vital tool in managing finances. There are a number of proposals towards the challenges in budget management.

Despite the large sphere of decision-making and implementation, the absence of requisite capacity training will render the reforms ineffective. So, the introduction of reforms should be accompanied by capacity building initiatives. This will entail that the support functions of budget management in the area of financial planning, reporting and evaluations would be enhanced. In addition, the government should be lobbied to prioritise and increase funding allocations for the health sector. This can result in improvements in the availability of essential items. Hospital management should look into more effective and efficient ways of utilisation of resources. Further, there is a need to improve on the central government funding allocation formula to district hospitals to make them more accommodating and comprehensive to enhance equitability in resource allocation.

## **NOTE**

- \* This article is based on a doctoral thesis undertaken by R. Hanif which was conducted at North-West University titled: "Developing a framework for expenditure management in the Malawian public healthcare sector", under the supervision of Professor Wedzerai S. Musvoto.

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# Public Sanitation Challenges in South African Local Government

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## ABSTRACT

South Africa, like many developing countries, faces significant challenges in providing a sustainable water supply and sanitation services to its citizens due to vast water supply and sanitation infrastructure backlogs. The article interrogates managing sanitation resources and provides several sanitation services challenges facing municipalities: revenue, human resource capacity, municipal infrastructure investment, maintenance and operational infrastructure, planning and the performance of wastewater treatment works challenges. The article employed unobtrusive research methods and the methodology entails a desktop research approach by way of a comprehensive literature study and documentary analysis. The article found that poor governance, lack of administrative and technical capacity, poor financial management, poor coordination and accountability appear to be at the centre of addressing these problems in water and sanitation management within municipalities.

## INTRODUCTION AND BACKGROUND

At first glance, it appears as if South Africa has made significant progress in the provision of access to sanitation services. However, a closer look paints a different picture of various challenges, ranging from the functionality of sanitation facilities, the financial viability of municipalities, and the state of sanitation infrastructure. Nationally, access to improved sanitation facilities, defined as a connection to a public sewer network, septic tank, ventilated improved pit latrine (VIP) or chemical toilet, has substantially increased from 61.7% in 2002 to 82% in 2018 (Statistics South Africa 2018:48). Furthermore, access to sanitation in metropolitan areas is well above the national average, at 89%, with eThekweni metropolitan

municipality at 83% and the City of Tshwane at 82%. However, when these statistics are deconstructed, they depict a different narrative. In other parts of the country there has been limited growth since 2011 to date. For example, in more rural provinces, no significant growth has been registered. In Limpopo Province, only 53% of the population have access to sanitation, in Mpumalanga Province, 65.8%, and in the North West Province, 66.4% (Motsoeneng 2022).

According to Van Zyl (2017:15), about 7% of households have never had access to sanitation services at all. Toxopeus (2019a:online) observes that while there is a consistent decrease (12.6% in 2002 to 2.8% in 2018) in Limpopo and Mpumalanga provinces' households without sanitation facilities or households using buckets, these figures do not indicate the functionality of these facilities.

In its report on the state of sanitation, the South African Human Rights Commission (2014 in Motsoeneng 2022) revealed that the national statistics on sanitation show a higher level of access to sanitation than is the case in reality. The Human Rights Commission Report contends that non-functional sanitation facilities and infrastructure are considered part of government services (South African Human Rights Commission 2014 in Motsoeneng 2022). This is an indication of a government that lacks genuine concern about the provision of sanitation services. It is also notable that access to sanitation services varies across provinces and municipalities. For instance, metropolitan municipalities have a low backlog of sanitation facilities, while a high backlog can be observed in district and rural local municipalities (LMs) or provinces (Statistics South Africa 2019:42).

Access to sanitation services in South Africa thus remains unequal, as is evident by incidents of children falling into pit latrines. Bucket-toilet systems, which are regarded as unimproved sanitation, are still in use, albeit in very few households. For instance, in the Free State and Eastern Cape provinces, a reported 47 municipalities still use bucket toilets to provide sanitation services (Statistics South Africa 2019:42). Yet substantial changes have been witnessed, with over 82% of households being able to access water and sanitation. However, as Toxopeus (2019a:online) puts it, functionality and maintenance remain the biggest challenge in municipalities.

One can draw two deductions from the above discussion. First, there is a direct link between urbanisation and the quality of access to sanitation. Second, in relation to the first point, those on the periphery of society have little or no access to the quality of sanitation enjoyed by those in urban areas, and the government mainly ignores them.

According to the National Treasury Report (2018), the challenge for many municipalities is that they do not have sufficient sources of locally generated revenue and therefore primarily rely on grant funding from national government. Due to municipalities' inability to cover the full cost of service delivery, funding mechanisms were developed to assist municipalities in providing services.

Toxopeus (2019b:online) also contends that the infrastructure challenges facing local government are merely signs of a deeper systemic governance problem. The author further argues that governance-related challenges have compromised the financial sustainability of sanitation services in municipalities. Furthermore, municipalities will continue to fail because of financial mismanagement and a general failure to plan, as well as their lack of accountability. Toxopeus (2019b:online) warns that unless the government intervenes to deal with governance issues at the municipal level, infrastructure will continue to deteriorate.

Several pieces of legislation govern the water and sanitation sector in terms of regulation, oversight, bulk infrastructure, sanitation services and monitoring. These Acts include the *Constitution of the Republic of South Africa*, 1996; the Water Services Act 108 1997; the National Water Act 36 of 1998; the Local Government: Municipal Structures Act 117 of 1998; the National Environmental Management Act 107 of 1998 (NEMA); the Public Finance Management Act 1 of 1999 (PFMA); the Local Government: Municipal Systems Act 32 of 2000; the Division of Revenue Act 9 of 2021 (DoRA) and the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA). These statutory mandates also include a regulatory and policy framework in terms of the White Paper on Water Supply and Sanitation, 1994; the White Paper on Basic Household Sanitation, 2001; the Strategic Framework for Water Services, 2003 and the National Sanitation Policy of 2012 and 2016 (Motsoeneng 2022).

The implementation of these Acts also involves several stakeholders that have roles and responsibilities concerning the sanitation value chain, for example, the Department of Water and Sanitation, the National Treasury, the Department of Cooperative Governance and Traditional Affairs (COGTA), water services authorities (municipalities), water services providers and water catchment authorities. Chapter Three of the Water Services Act of 1997 defines a water services authority as any municipality, including district and rural municipalities, responsible for ensuring access to water services. It should be noted that the main difference between the water services authority and water services provider, is the authority, responsibility and obligation conferred to water services authorities to provide water services. This authority lies with the water services authority, and not with the water services provider as provided by section 152(1)(b) of the Constitution and section 11(1) of the Water Service Act 108 of 1997. Therefore, the water services authority cannot delegate its authority to the water services provider, but it can assign certain functions to water services providers.

It is noted in the Sanitation Policy, 2016 (in Motsoeneng 2022) that despite a strong statutory and regulatory framework in the water services sector, the Department of Water and Sanitation's regulatory responsibilities are still unclear, and there is a shift of sanitation responsibilities between departments. For instance, the role of the Department of Education for sanitation in schools and the

role of the Department of Health in providing sanitation in clinics and other public institutions is problematic. It is the researcher's view that there is a disconnect in terms of the regulatory role of various departments in the sanitation value chain. This situation has created confusion regarding roles and responsibilities between various government departments, including local governments (Department of Water and Sanitation 2016:70).

The article employed unobtrusive research methods and the methodology entails a desktop research approach by way of a comprehensive literature study and documentary analysis (conceptual and documentary analysis). In general, unobtrusive research techniques study social behaviour to eliminate bias and promote conceptual and contextual analysis. As such, there is no direct interaction between the researcher and respondent (Auriacombe 2007). In this article, these documents include published articles, books, archival records, published statistics, institutional publications, municipal Integrated Development Plans (IDPs) solicited and unsolicited documents, statutory, regulatory or policy documents and newspaper articles that form part of this type of recorded data (Auriacombe 2007).

The central thesis of this article is the unsustainable state of public sanitation services in South Africa. Hence, these aspects will be dealt with in the sections below.

## **REVENUE CHALLENGES IN MUNICIPALITIES**

According to Mahabir and Mabena (2015:248), municipalities' inability (particularly rural municipalities) to generate adequate funding for the delivery of services is the main reason for intergovernmental transfers in the form of conditional and unconditional grants. This is worsened by the fact that rural municipalities often consist of relatively poor communities that cannot afford to pay for the services they receive. These grants are meant to assist under-resourced municipalities to deal with service delivery issues, including infrastructure backlogs (Thornhill and Oosthuizen 2017:436). In addition, they are designed to help large municipalities improve and maintain service delivery to their communities.

Hence, water and sanitation services are funded through various unconditional grants, equitable shares and conditional grants allocated in terms of the DoRA, annually passed by Parliament. Unconditional grants include equitable shares and do not have any conditions attached. They allow municipalities to determine how these funds are utilised. Conversely, conditional grants, for example, the Municipal Infrastructure Grant (MIG), the Water Services Infrastructure Grant (WIG), the Urban Settlements Development Grant (USDG) and the Rural Household Infrastructure Grant (RHIG) have conditions attached to them and

may only be used for the intended purpose (Wilkinson and Duncker 2014: V). Other revenue mechanisms include the Local Government Equitable Share (LGES), Regional Bulk Infrastructure Grant (RBIG) and locally generated funding.

Notably, conditions attached for MIGs are that the grant should only fund capital expenditure on water and sanitation, and funded projects must be viable, feasible and sustainable (National Treasury 2018:71). The National Treasury has a formula that determines how funds are allocated for unconditional grants. This formula includes a component for free basic services for households below the R2 300 affordability threshold (Wilkinson and Duncker 2014:33).

In addition, 50% of 257 municipalities depend entirely on grants for the delivery of basic services. According to the South African Local Government Association Report (2017), this calls for action to improve the sustainability of these municipalities. The municipalities have discretion in deciding on the structure of the service delivery packages, the levels of service, and the means through which these are funded. The IDP of each municipality is the instrument used in deciding on priorities and channelling and coordinating service delivery to avoid duplicated subsidies by national government (City of Cape Town Metropolitan Municipality IDP 2008:8).

The Department of Human Settlements (2015:85) has identified some shortcomings in, for example, the USDG. Among others, the report notes the grant's planning objectives have not been realised, and the intended effect between housing and infrastructure has not yielded the expected results. Furthermore, the USDG grant evaluation report (Department of Human Settlements 2015:77) established that the grant is not a programme but a financial tool that supports the current built environment and human settlement programmes. The grant was designed with a purpose; it is conditional with a wide range of outputs, but this is not consistent with the idea of a supplementary grant, the purpose of which is to fill a fiscal gap. Therefore, in its current form (informal settlements, human settlements), the grant does not serve the purpose for which it was created. It would have been more appropriate had it been designed as an intervention for built environments, and it would have been more efficient if it was a conditional grant designed as an intervention for housing and informal settlements (Department of Human Settlements 2015:26).

In addition, the grant's effectiveness has also been compromised by inefficiencies in the built environment's planning and is challenged by insufficient intergovernmental cooperation and coordination with other municipal planning processes (Thornhill and Oosthuizen 2017:445). In particular, the USDG is poorly coordinated. Further, it is evident that implementation efficiencies and inefficiencies largely impact the entire capital investment programme. Consequently, systematically addressing them is beyond the scope of the USDG as a capital finance instrument. There may well be a place for the cities' support programme (programme

designed to support the spatial transformation of cities with the objective to create sustainable urban built environments) to assist, with potential positive benefits for the USDG in the process (Department of Human Settlements 2015:8).

According to Toxopeus (2020:online), the RBIG was also introduced to develop bulk water and sanitation infrastructure that connects water resources to infrastructure within communities. The RBIG was created with the purpose of supplementing the financing of the social component of regional bulk water and sanitation infrastructure (Department of Water and Sanitation 2017:102). The grant is aimed at targeting projects that cut across many municipalities. In addition, the grant was also meant to provide water and reticulation services to households. This includes developing new infrastructure and rehabilitating, upgrading and replacing ageing infrastructure (Department of Water and Sanitation 2017:102). Through the RBIG, water conservation and demand management could be addressed, or this grant could be used to implement bulk infrastructure projects. It can also be used to facilitate projects that will have a direct impact on bulk infrastructure requirements.

Masindi and Duncker (2016) claim there is a tendency among municipalities facing financial difficulties to reduce budgets for repairs and maintenance. The authors state that this action is less likely to raise eyebrows politically. However, in the long run, it has a negative effect on the lifespan of infrastructure that is not maintained and affects the reliability of services. In addition, municipalities would move to crisis rather than scheduled and regular maintenance. This also means that costs will substantially increase and could mean total replacement (Masindi and Duncker 2016).

## **HUMAN RESOURCE CAPACITY CHALLENGES IN MUNICIPALITIES**

The issue of skills shortage challenges is highlighted in the Water and Sanitation Master Plan, 2018 (in Department of Water and Sanitation 2018). The plan emphasises the lack of institutional capacity, poor asset management and funding as some of the factors that led to certain municipalities' failure to deliver reliable water and sanitation services (Department of Water and Sanitation 2018:46).

Legislative and other policy frameworks regarding the recruitment and appointment of public officials are in place. However, a recurring issue that hinders the delivery of basic services is municipalities' inability to fulfil their responsibilities. The Auditor General's (AG) Report (2017:online) established that municipalities lack succession planning for highly skilled staff, such as engineers and scientists. As a result, most municipalities are left with no option but to seek external technical expertise (Ncube and Monnakgotla 2016:75). Moreover, the operation and

maintenance of infrastructure are affected because of a lack of expertise, particularly in district municipalities.

According to the Department of Water and Sanitation (2018:60), 144 of 278 municipalities are responsible for the provision of water services. At least 33% of these municipalities are regarded as dysfunctional, and more than 50% have no or very limited technical staff. The 27 priority district municipalities have been identified as being particularly dysfunctional and requiring specific intervention. Furthermore, a report of the AG (AG 2019:online) noted the ineffective performance management systems of municipalities have resulted in an over-reliance on consultants to prepare financial reports. This is a challenge because it does not translate to skills being transferred to internal municipal finance staff (AG 2019:online). Finally, rural and small municipalities struggle to attract relevantly skilled and experienced staff, especially persons with technical skills who are in short supply in municipalities.

In addition to the aforementioned challenges, the issue of a shortage of skilled personnel has dominated recent debates on the management of Wastewater Treatment Works (WWTWs) in South Africa. According to Amod and Wall (2017:online), in 2017 only 294 professional engineers were employed in municipalities. This number represents a significant drop from 455 in 2007. In addition, this number represents only half of the required number of professional engineers to adequately deliver sanitation services. This includes planning, operation and maintenance services. Amod and Wall (2017:online) cited poor education and inefficient use of skilled and experienced engineers due to a shortage of these technologists.

Amod and Wall (2017:online) further show that there is a drop in the average age of qualified civil engineering staff from 46 in 2007 to 38 in 2017. According to Lawless (2017:online), it is also concerning that half of the qualified engineers are largely based in major metropolitan areas, leaving small town and rural municipalities with very few of these qualified staff. Ultimately, South Africa has relatively stringent requirements for the number and qualification of staff operating WWTWs, which many municipalities fail to satisfy (Lawless 2017:online).

## **MUNICIPAL INFRASTRUCTURE INVESTMENT CHALLENGES FOR WATER SERVICES**

Municipalities face numerous challenges with water services infrastructure investment; in particular, sanitation infrastructure investment. Over the past 20 years, public infrastructure investment in South Africa has amounted to about R3 trillion (National Treasury 2019). However, the quality, speed and efficiency of many infrastructure projects have not matched the level of investment.

The work of Masindi and Dunker (2016:14) offers insights into the challenges and extent of under-investment in sanitation infrastructure by municipalities in South Africa. In their article titled *"The state of Sanitation in South Africa"*, Masindi and Dunker (2016:14) highlight the extent of the problem of under-investing in the maintenance and refurbishment of sanitation infrastructure in municipalities across South Africa. The authors argue that the number of service delivery failures witnessed across the country in recent years illustrate the scope of the problem. For instance, the poor quality of water is an important indicator of the performance of a water treatment plant. If the quality of water entering a reticulation system is poor, it usually indicates operational problems with the treatment plant; either in the form of plant breakdowns, poor maintenance or delayed maintenance, and plants operating at above their designed capacities. Similarly, for sanitation services, highly contaminated and untreated sludge that is discharged indicates the poor state of treatment plants. The Blue Drop Accreditation System implemented by the Department of Water Affairs in 2008 demonstrates the extent of the maintenance challenges in South Africa (Masindi and Dunker 2016:23).

The high volume of water losses that occurs because of pipe bursts and leakages results in substantial revenue losses for municipalities, and this revenue loss could have been used to fund infrastructure maintenance (Masindi and Dunker 2016:29). They also raise concerns about a lack of strategic asset management within municipalities, particularly in rural areas (Masindi and Dunker 2016:30). Municipalities also do not have records of their assets, their location, lifespan and how best to invest in those assets to extend their useful life. The South African Institute of Civil Engineering (SAICE) Infrastructure Report Card (Amod and Wall 2017:online) reiterates this view by emphasising that a lack of asset data has a direct negative effect on scheduled infrastructure maintenance and there is no accountability for mismanagement.

It becomes very difficult for municipalities to determine and make informed investment decisions because of insufficient or, in some cases, no data on infrastructure (Masindi and Dunker 2016:30). Although the importance of developing an asset register cannot be overemphasised, for some municipalities it is a costly exercise. As a result of financial constraints and lack of capacity, many municipalities outsource this critical function. Municipalities generally allocate approximately 5 to 12% of their annual operating budgets to repairs and maintenance. However, these are merely the budgeted figures, not the actual spending figures. Information on the actual repairs and maintenance spent by municipalities per asset class is currently unavailable (Masindi and Duncker 2016:30).

The National Treasury Report (2018) reiterates the views expressed by Masindi and Dunker (2016:29) that non-prioritisation of renewal and maintenance expenditure and lack of asset management planning undermine the asset management efforts of municipal infrastructure. The National Treasury Report

(2015) highlights the fact that the emphasis has been placed on investment in new infrastructure that connects previously serviced areas with water, sanitation and electricity, and the eradication of a backlog. Tsetetsi and McNamara (2015 in Motsoeneng 2022) refer to this emphasis on new infrastructure as “excessive focus” on new infrastructure. The authors argue that, although new infrastructure is required in certain cases, the government should strike a balance between new infrastructure and maintaining existing infrastructure to ensure sustainability and avoid excessive costs.

Infrastructure renewal has not been a priority for many municipalities despite the capital assets management guidelines issued by the National Treasury (2015). This lack of prioritising the renewal of existing infrastructure contributes significantly towards the unreliability of water and sanitation services. In addition, the limited budget allocated by some municipalities to operations and maintenance – relative to that allocated to new capital works – poor revenue management, and municipalities’ failure to employ appropriately qualified technical staff has made the situation worse. Furthermore, as stated, the national infrastructure grant funding mechanisms incentivise the building of new infrastructure rather than maintaining existing infrastructure (Odendaal 2019:online).

The National Treasury (2015) notes that even though capital grants focus on investing in assets, the lifespan of those assets must be considered. Civil society organisations, stakeholders and service delivery protesters have drawn attention to the poor condition of municipal infrastructure. Municipalities have thus been under scrutiny regarding their ability to manage grant-funded assets, both in financial and organisational terms after their creation (National Treasury 2015).

The MIG policy clearly targeted backlog eradication by 2013/14. Other related programmes, such as the various Bucket Toilet Eradication Programmes, the RBIG, or the MIG, have had similar intentions. Backlog-targeting nationally funded projects resulted in a considerable expansion of municipal asset bases as capital is persistently used to create new infrastructure to provide electricity connections, running water and sewerage to communities previously without access. However, an unintended consequence of these government programmes has been that existing municipal infrastructure can do away with the necessary capital investment required to ensure full productivity, while new infrastructure is prioritised. The critical issue for many municipalities is to find a balance between capital spending that connects services to new households and sufficient investment in renewing existing infrastructure. This aim changes over time as municipalities move closer towards the goal of eradicating backlogs, despite the many challenges.

The Financial and Fiscal Commission (FFC) (2014) noted that in recent years grant systems’ split between funding to renew existing infrastructure and build new infrastructure did not encourage investment in existing infrastructure. According to the FFC (2014) for South Africa to develop and progressively realise

the rights set out in the Constitution, existing infrastructure's refurbishment should play a crucial part in the allocation and spending of MIGs. The Review Report reiterates that funding should not only focus on investing in new infrastructure, but existing infrastructure should be prioritised as well (FFC 2014).

Municipalities are thus beginning to recognise the importance of investing in existing infrastructure. Since 2011, municipal capital budgets have begun to move away from new infrastructure to the renewal of existing infrastructure. For instance, in the 2009/10 financial year, only 16% of capital expenditure went to the renewal of old infrastructure. Still, three years later, in 2013/14, over 40% of the capital budget was set aside for the renewal of existing infrastructure. However, it should be noted that this move is common in metropolitan municipalities, while small and rural municipalities are still lagging in this regard (FFC 2014).

To discourage the purchasing of new infrastructure, the national government has created incentives that encourage municipalities to invest in the renewal of existing infrastructure. It has become a common practice for municipalities to use the MIG to refurbish existing infrastructure even though this practice is not permissible (FFC 2014). However, the National Treasury has stipulated certain conditions to ensure the effective use of grant allocations and confirm that grant funding for existing infrastructure fits in with the broader fiscal framework for municipalities.

Municipalities are incentivised to create systems that will allow and ensure the optimal and sustainable use of funding meant for infrastructure renewal. Part of the purpose of creating systems is to develop asset maintenance plans. Such plans must go beyond the existing asset registers that are largely for accounting purposes and provide the municipality with comprehensive information on the state of the asset base. The plans indicate where funding needs to be prioritised to ensure continued functionality in the short- and long-term (FFC 2014).

Although some municipalities have the plans in place, all municipalities must follow suit in developing maintenance plans. Moreover, to access such grants, municipalities must prove they have not been negligent in their maintenance, and report on financial and non-financial results concerning the allocated grants (Thornhill and Oosthuizen 2017:8). This will hopefully ensure municipalities use their own maintenance budgets instead of relying on nationally funded infrastructure grants. Finally, renewal funding must largely be used for investment in assets serving the poor (FFC 2014).

Masindi and Duncker (2016:30) caution that it is not sustainable in the short- or long-term to repair dysfunctional infrastructure without dealing with underlying factors that negatively affect operations and maintenance. The authors contend that without basic scheduled maintenance, the more sophisticated or less robust infrastructure (such as treatment plants or pump stations) cannot be expected to deliver service indeterminately. This view is also shared by Van der Mescht and

Van Jaarsveld (2012:4), who argue that most of the newly refurbished water and sanitation plants could be in a derelict state in as little as five years.

## **MAINTENANCE AND OPERATIONAL SANITATION INFRASTRUCTURE CHALLENGES**

The importance of maintaining and operating sanitation infrastructure is acknowledged by all stakeholders in the water services sector, yet municipalities are failing to prioritise it during their budget meetings – a predicament echoed internationally and in the literature. It is suggested that immediate budget pressures, often from politicians with short-term focus, disregard maintenance investment and its long-term benefits or returns. According to Van der Mescht and Van Jaarsveld (2012:4), municipal officials articulate how emergency repairs are prioritised, yet preventive maintenance that would have avoided the emergency is neglected. The reports by the FFC (2014) also echoed these concerns and suggested that every six years, one year's maintenance is foregone, with every municipal type (from metros to rural municipalities) underspending on maintenance between 2005 and 2011 (National Treasury 2015:36).

In support, Van der Mescht and Van Jaarsveld (2012:4) claim that municipalities in South Africa are struggling to maintain and operate their water services infrastructure in an efficient and sustainable manner. This is evidenced by the deteriorating assets and regular component failures that cause service delivery disruptions. Several issues have been highlighted, ranging from human resource capacity to financial constraints.

According to the AG (2017:online), the maintenance and operation of sanitation facilities in South Africa require municipalities to undertake big projects that cost substantial amounts of money. Metropolitan municipalities can raise these funds, but for smaller local or district municipalities with a low tax base it is a major struggle to get such projects underway. It also becomes more difficult for smaller municipalities where, for example, there is no co-funding between local municipalities and the Department of Water and Sanitation.

The AG (2017:online) also emphasises a lack of funding for the operation and maintenance of sanitation facilities. The National Treasury (2014:36) concurs that under-budgeting for maintenance is a global issue, particularly in developing countries. It indicates a dysfunctional system with poor financial control and reflects a local government that fails to collect revenue. It is perhaps a sign of pre-existing issues that will not be resolved through funding. In fact, the increase in funding will not encourage municipalities to generate their own funding and would possibly displace funds (from the LGES or own revenues).

Currently, maintenance funding means the problem of poorly maintained municipal infrastructure will continue (National Treasury 2014:36).

In addition to under-budgeting for maintenance, the little that has been budgeted for is not substantially spent. Although data in municipal budgets on maintenance is not comprehensive and has only been emphasised in recent years, analyses show that the amount spent by municipalities on maintenance is well under 2% of the 'write down value' of their assets (AG 2019:online). Yet, the amounts budgeted for maintenance are between 3 and 4%. The issue of under-budgeting for maintenance is similarly articulated by the SAICE Sanitation Report Card (Amod and Wall 2017:online), claiming that municipalities continue to fail to fully spend allocated budgets. This failure to prioritise maintenance funding, in either the budgeting process or in-year spending, was echoed in municipal engagements. Technical officials and engineers were largely unaware of the maintenance funds (through LGES) allocated through the DoRA to explicitly subsidise maintenance costs on behalf of indigent households.

The review on grants undertaken by various stakeholders, including the National Treasury, illustrates that investing maintenance funds into municipalities is not the solution. Instead, national government should exercise oversight, close monitoring and support to ensure functional municipal services. The National Treasury (2018), among other things, proposes that the following measures be undertaken:

- Conditionality surrounding life cycle costing of grant-funded assets.
- Use of the 'renewal' reforms requiring asset management maintenance plans in every municipality to reduce the scope of maintenance being side-lined in the municipal budget processes.
- The infrastructure maintenance budget should be continuously monitored.

Table 1 shows the national aggregate spending patterns on repairs and maintenance as a percentage of expenditure on property, water and sanitation plants and equipment for the financial years 2014/15 to 2020/21. This is an appropriate indicator of spending on repairs and maintenance as it measures spending against the value of the assets for which such spending was incurred. The national norm, according to National Treasury's financial indicators, is 8% (National Treasury 2014).

An increasing trend in investment can be seen, together with a 3.4% (2014/15) full-year forecast rising to 3.7% (2017/18), and up to 4.1% by 2020/21. In total, capital expenditure on asset renewal increased from a low 34.7% in 2015/16 to a substantial 56.7% in 2017/18. Nonetheless, significant under-investment continues to be evident (National Treasury 2014). The pace of asset depreciation continues to outstrip investment in asset renewal by a significant margin, with renewal investments accounting for only 83% of depreciation values in 2017/18

**Table 1: Repair and maintenance spending patterns in municipalities 2014–2021**

| Description                                     | 2014/15           | 2015/16           | 2016/17           | Current year: 2017/18 |                   |                     | 2018/19 Medium Term Revenue and Expenditure |                     |                       |
|-------------------------------------------------|-------------------|-------------------|-------------------|-----------------------|-------------------|---------------------|---------------------------------------------|---------------------|-----------------------|
|                                                 | Audited Outcomes  | Audited Outcomes  | Audited Outcomes  | Original Budget       | Adjusted Budget   | Full-year Forecasts | Budget Year 2018/19                         | Budget Year 2019/20 | Budget Year 2020/2021 |
| R' thousands                                    |                   |                   |                   |                       |                   |                     |                                             |                     |                       |
| Repairs and Maintenance by Asset Class          | 17 946 071        | 17 946 071        | 18 020 191        | 21 543 579            | 24 485 649        | 24 485 649          | 27 398 703                                  | 29 462 871          | 31 657 353            |
| Infrastructure-Road Transport                   | 3 300 782         | 3 300 782         | 3 893 511         | 4 307 964             | 5 052 607         | 5 052 607           | 5 529 437                                   | 5 821 872           | 6 105 837             |
| Infrastructure – Electricity                    | 3 307 090         | 3 307 090         | 3 620 763         | 4 248 128             | 4 696 357         | 4 696 357           | 4 947 523                                   | 5 376 945           | 5 798 108             |
| Infrastructure – Water                          | 2 757 769         | 2 757 769         | 2 873 992         | 3 477 010             | 3 752 445         | 3 752 445           | 4 300 774                                   | 4 874 049           | 5 239 224             |
| Infrastructure-Sanitation                       | 1 556 718         | 1 556 718         | 1 812 282         | 1 888 544             | 2 326 417         | 2 326 417           | 2 816 073                                   | 3 044 942           | 3 241 093             |
| Infrastructure – Other                          | 487 664           | 487 664           | 332 345           | 613 131               | 431 810           | 431 810             | 469 626                                     | 519 321             | 561 911               |
| Infrastructure                                  | 11 410 023        | 11 410 023        | 12 532 893        | 14 534 778            | 16 259 635        | 16 259 635          | 18 063 433                                  | 19 637 129          | 20 946 173            |
| Community                                       | 1 212 477         | 1 212 477         | 952 980           | 1 038 266             | 1 436 361         | 1 436 361           | 1 728 338                                   | 1 841 631           | 1 931 025             |
| Heritage assets                                 | 165 963           | 165 963           | 1 993             | 14 053                | 12 222            | 12 222              | 13 545                                      | 14 315              | 15 140                |
| Investment properties                           | 35 913            | 35 913            | 64 372            | 90 074                | 78 497            | 78 497              | 108 319                                     | 108 623             | 109 187               |
| Other assets                                    | 5 121 696         | 5 121 696         | 4 467 953         | 5 866 409             | 6 698 934         | 6 698 934           | 7 485 067                                   | 7 861 172           | 8 655 828             |
| <b>Total expenditure other items</b>            | <b>44 640 501</b> | <b>44 640 501</b> | <b>47 759 825</b> | <b>51 538 490</b>     | <b>55 243 319</b> | <b>55 243 319</b>   | <b>58 964 027</b>                           | <b>63 259 446</b>   | <b>67 463 020</b>     |
| % of capital expenditure on renewal of assets   | 46,2%             | 46,2%             | 44,0%             | 55,9%                 | 56,0%             | 56,0%               | 54,9%                                       | 58,8%               | 58,7%                 |
| Renewal of Existing Assets as % of depreciation | 62,3%             | 62,3%             | 62,2%             | 84,4%                 | 83,0%             | 83,0%               | 82,4%                                       | 81,3%               | 77,6%                 |
| R&M as a % of PPE                               | 3,4%              | 3,4%              | 2,8%              | 3,5%                  | 3,7%              | 3,7%                | 3,9%                                        | 4,0%                | 4,1%                  |
| Renewal and R&M as a % of PPE                   | 6,0%              | 6,0%              | 6,0%              | 8,0%                  | 8,0%              | 8,0%                | 8,0%                                        | 8,0%                | 8,0%                  |

Source: (National Treasury Local Government Database, 2014 in Mlotsoeng 2022)

(National Treasury 2018). In effect, this means that 17% of a municipality's asset base is being abandoned each year, which may have significant cumulative effects (Motsoeneng 2022).

According to the National Treasury (2018), municipalities experiencing financial stress frequently seek to immediately reduce expenditures on repairs and maintenance as its impact is not immediately obvious. It is also less politically sensitive than reducing the capital expenditure programme. However, the medium- to long-term consequences of underspending on repairs and maintenance include, according to Motsoeneng (2022):

- Deteriorating reliability and quality of services.
- A move to more expensive crisis maintenance rather than planned maintenance.
- Increased future cost of maintenance and refurbishment.
- Shortened useful lifespan of assets, requiring earlier replacement than would otherwise have been the case.

As an example, the Merafong Local Municipality's unaudited annual report (2019:216), states that the municipality placed a moratorium on staff appointments due to serious cash-flow problems. In the 2018/19 financial year, the municipality closed off its financial books with a deficit of R87 million compared to a budget deficit of R284 million in the 2017/18 financial year. During this period, it was clear the municipality's liquidity ratio had started to decline. The Merafong Local Municipality could not collect over 70% of its debt and had incurred a water loss of over R600 million, and an electricity loss of over R118 million. This situation negatively affected its cash-flow. The audited financial report also indicates this situation was worsened by R50 million invested in the Venda Building Society mutual bank with no guarantees that the money will ever be recovered (Merafong Local Municipality unaudited annual Report 2019:219). Furthermore, the report indicates that the Merafong Local Municipality's current working capital ratio declined over a three-year period. For example, in 2016/17 it was 1:0.79, in 2017/18 it was 1:0.5, and in 2018/19 it was 1:0.4. The current ratio is a measure of the municipality's ability to meet its current financial obligations using its current assets. Generally, a ratio of 2:1 is ideal, but a current ratio of 1:1 is still acceptable. The Merafong Local Municipality's current ratio of 1:0.4 is an indication of its inability to pay its existing debt (short-term). From a liquidity point of view, the Merafong Local Municipality is under financial constraint. The municipality incurred a shortfall of R161 million during the financial year ending June 2019. As a result of this situation, the provision of water and sanitation, including infrastructure repair and maintenance, is performed on an emergency basis and maintenance plans cannot be implemented. Salaries cost about 25% of the budget, while repairs and maintenance are only allocated 4% of the budget (Merafong Local Municipality Unaudited Annual Report 2019:27).

The poor state of finances in Merafong Local Municipality mentioned in the previous paragraph shows that the municipality cannot meet its short-term financial obligations. This effectively means it will be difficult for the municipality to make a significant investment in water and sanitation infrastructure. This is in line with spending patterns identified by the National Treasury, which shows a decline in infrastructure investment by municipalities and asset depreciation continues to outweigh investments. As indicated previously in the report of the National Treasury (2018), the likely effect is that asset maintenance will continue to be unplanned but will happen on an emergency basis, and it will be more expensive to maintain infrastructure in the future. The Merafong Local Municipality has reached a crisis situation as it can no longer afford planned maintenance, and maintenance is only done on an emergency basis. As maintenance is delayed, the assets' lifespan is shortened. Municipalities are faced with a similar situation of depreciating water and sanitation infrastructure assets.

## **MUNICIPAL PLANNING CHALLENGES**

Municipal planning is a local government function provided for in Section 156 of the Constitution, 1996. Municipal planning is a functional area listed in Schedule 4–Part B in terms of which municipalities have the authority and right to administer. Various aspects of municipal planning in relation to water services are interrogated in this section.

According to Mutamba and Busari (2014:79), the government has developed various plans and strategies to deal with issues of poor infrastructure. Initiatives and plans include the establishment of the Presidential Infrastructure Coordinating Commission. This Commission was created to ensure integrated and systematic planning and monitoring of large infrastructure projects (Mutamba and Busari 2014:79). In 2012, the national infrastructure plan was developed, and 18 strategic integrated projects were identified to provide support and address various service delivery issues, including water and sanitation infrastructure. The water and sanitation strategic integrated projects relate mostly to constructing, augmenting or upgrading bulk water schemes. Government has further prioritised infrastructure maintenance through the National Infrastructure Maintenance Strategy (Mutamba and Busari 2014:79).

The status quo is that planning is too often limited to the short-term due to the pressures of meeting in-year grant spending targets or the political cycle. Though the grant frameworks in DoRA stipulate certain planning deadlines, adherence to these is not widespread. Some grants, such as the MIG, allow a 5% top-slice of a municipality's capital allocation to be used for a project management unit (Lawless 2017:online). However, this is largely used for in-year project

management rather than future planning. Equally, for municipalities with small MIG allocations – either small municipalities or ones with few backlogs – the 5% top-slice is insufficient to fund the necessary planning of their capital investments. Larger or wealthier municipalities, such as metros and secondary cities with significant revenue-raising potential, should already be funding planning departments with their own revenues rather than relying on national funding. The issue is therefore largely restricted to smaller and poorer municipalities (Lawless 2017:online).

Notably, according to Lawless (2017:online), the over-reliance on private engineers and contractors to design and do planning has also resulted in municipalities' neglect in recognising the need to retain planning capacity and address long-term and master planning. This has ultimately affected the municipalities' ability to effectively handle and attend to infrastructure operation and maintenance (Lawless 2017: online).

The AG Report of 2017/18 (AG 2018:online) highlighted municipalities' challenges with planning. Among the challenges are the lack of integrated planning and proper communication that has hampered the completion of water services projects. The AG has also established that many municipalities do not have the capacity to draft Water Services Development Plans (WSDPs) because of a lack of technical expertise (AG 2018:online).

In addition, a municipality's IDP must also include the council's strategies for the municipality's operations, key performance indicators, and performance targets determined in terms of section 41 of the Local Government: Municipal Systems Act 32 of 2000.

Notably, the National Water and Sanitation Master Plan (NWSMP) is a comprehensive plan aimed at eradicating backlogs in infrastructure investment, promoting institutional reforms in water resource management, and facilitating required capital and financial investment (Department of Water and Sanitation 2018:3). The plan outlines various interventions to boost, among others, infrastructure development. The plan proceeds by giving an account of the state of water services in South Africa. The master plan is divided into four parts.

This plan seeks to improve universal access to water supply and sanitation services (Odendaal 2019:online). In line with the transformative agenda in water resources, the plan seeks to ensure equitable sharing and allocation of resources. Over and above the aforementioned, the plan intends to improve infrastructure management, including proper maintenance and operation of infrastructure (Odendaal 2019:online).

Apart from capacity, infrastructure and other challenges identified in the master plan, it refers to the restructuring of the Department of Water and Sanitation. This restructuring should hopefully deal with financial mismanagement issues facing the Department of Water and Sanitation (Kubheka 2019:online). Although

the plan provides a fair account of the state of water services in South Africa, it falls short in dealing with the high turnover of technical professionals lost to the country and the private sector. In addition, it does not provide a clear plan on how the current crop of engineering professionals is to be retained in the water and sanitation sector. Higher education institutions' role in training professionals or enticing young people into the field is not clearly articulated in the plan (Winter 2019: online).

Winter (2019:online) argues that the success of the master plan depends on whether tertiary institutions can offer programmes to prepare future professionals who wish to follow water and sanitation as a career path. Furthermore, the master plan falls short in providing details about the skills and capacities needed to ensure it becomes a success (Winter 2019:online).

According to Stone (2019:online), the plan has been criticised because it is viewed as an expensive exercise that could be a major and costly failure. The issue of capacity to take responsibility for implementing the plan within the Department of Water and Sanitation has once again been raised as a serious concern given the department's dysfunctional state (Stone 2019:online).

## **PERFORMANCE OF WASTEWATER TREATMENT WORKS CHALLENGES**

According to Ntombela, Funke, Meissner, Steyn and Masangane (2016:703), 152 municipalities in South Africa are water services authorities providing wastewater treatment services through a network of 824 WWTWs as collectors, treatment and discharge facilities. Over 70 of these WWTWs are micro- to medium-sized facilities. In total, South Africa has a collective hydraulic capacity of 6.509 ml/day and 79% of this capacity is accounted for by the operational flows of 5 128.8 ml/day (Reddy and Siqalaba 2018:online). Theoretically, these figures mean the collective surplus capacity of all municipalities is in the region of 22% for future use or demand (Ntombela *et al.* 2016:703). Of the 824 WWTWs, 248 (30.1%) were assessed in 2013 to be in a critical condition and in need of regulatory action (Toxopeus 2019a:online). A further 161 (19.5%) treatment works were in poor condition and warranted urgent attention. This means almost half of the WWTWs in South Africa were not functioning adequately and needed some form of intervention. Only 60 (7%) received the Green Drop Accreditation Certification of the Department of Water and Sanitation (Toxopeus 2019a:online).

The appalling state and performance of WWTWs in South Africa have been a subject of much debate and growing concern among water and sanitation stakeholders and civil society in general (Lawless 2017:online). The poor performance of municipal WWTWs is a clear indication of a lack of capacity, among other

factors (Reddy and Sigalaba 2018:online). Baseline information generated from studies on the performance of WWTWs shows 31% are on the brink of collapse. In response to the challenges of poor performance of WWTWs indicated above, the Department of Water and Sanitation introduced the Green Drop programme in 2008 as an incentive mechanism to improve the management of wastewater treatment across South Africa (Ntombela *et al.* 2016:704).

Notwithstanding the incentives introduced by the Department of Water and Sanitation through the Green Drop programme, the condition of many WWTWs continues to deteriorate. This is witnessed in the results of the Green Drop programme indicating that 50.4% of WWTWs scored more than 50% in 2013, while the other 50% scored below 50%. In addition, 30.1% of all WWTWs (248 WWTWs) in South Africa were issued Purple Drops (indicating a score of less than 30%) during 2012/13, which means they are “in crisis” and regulatory actions need to be taken to address their poor performance (Department of Water Affairs 2013). Moreover, 121 WWTWs are in critical risk positions and need to be put under surveillance as ‘hot spots’ to ensure risk mitigation and compliance measures are “fast-tracked and up-scaled” (Department of Water Affairs 2013).

To further illustrate this point, the Department of Water and Sanitation’s (2015) strategic overview document indicates that discharge from WWTWs is polluting the environment, and stringent measures need to be taken (i.e. increasing standards) to remedy the situation. What is puzzling for Ntombela *et al.* (2016:707) is that the admission by the Department of Water and Sanitation that the problems are worsening happens amid revelations by the same department that significant progress has been made since the inception of the Green Drop programme. Prinsloo (2015:online) shares the sentiments echoed by Ntombela *et al.* (2016:707) by cautioning that since April 2015, there have been 19 reported cases of WWTWs overflowing into water bodies. This should be a cause for concern despite improvements in the Green Drop programme’s results.

## CONCLUSION

This article highlighted the poor state of water and sanitation services in South African municipalities. This research revealed that the sanitation infrastructure in many municipalities in South Africa is in a state of disrepair due to neglect over several years. Poor maintenance has resulted in a water and sanitation backlog that municipalities are struggling to address. The challenges facing municipalities in many cases range from administrative and technical incapacity, poor planning, poor financial management and lack of public participation in the affairs of the municipalities. Staff shortages, a lack of technical skills, staff turnover and municipalities’ inability to initiate mentoring and staff retention programmes pose a risk

to the stability and functioning of sanitation services in municipalities. Moreover, the municipalities' inability to spend allocated funds to improve sanitation infrastructure is one of the impediments to their development.

Municipalities have numerous challenges in terms of their inability to spend funding from the national government meant to assist them in delivering basic services such as water and sanitation. For instance, poor planning, a lack of prioritising basic services, and diversion of funds for service delivery are among the challenges. The underspending by municipalities is attributed to many factors. Initiatives to train young engineers to take over from the current crop have also not materialised as envisaged by CoGTA and the Department of Water and Sanitation. Despite incentives provided by the national government, the state of wastewater treatment continues to deteriorate, with funding prioritised for new infrastructure at the expense of upgrading existing infrastructure. Infrastructure spending appears only to receive attention when there is an emergency. The high turnover of engineering professionals in technical directorates has not received much attention in municipalities. Clear guidance regarding the roles of national sector departments responsible for functions and services delivered at local government level is also absent.

Better coordination between local government and provincial and national departments responsible for water and sanitation services is crucial. Guidance is needed for coordinating departments – such as CoGTA or the National Treasury – on the role they are expected to play in overseeing the grant system. The ambiguity of these roles has led to unnecessary duplication of processes, and even duplication of grants in instances such as the MIG, and distorted accountability. Clarity over a sector department's role in overseeing and supporting grant implementation, and the role a coordinating department is expected to play in managing, allocating and evaluating grants and the grant system, could reduce intergovernmental friction and improve the coordination of MIGs.

The literature review confirmed municipalities in South Africa face enormous difficulties in managing sanitation resources. This situation has negatively impacted their ability to provide basic services to their respective communities as mandated by the Constitution and the Local Government: Municipal Systems Act of 2000. Hence, the study has shown that a multi-pronged approach is required to address water and sanitation shortcomings.

## NOTE

This article is partly based on a Doctor of Philosophy Thesis of R P Motsoeneng, completed at the University of South Africa under the supervision of Prof E J Nealer (Promotor) and Prof J C Pauw (Co-promotor) titled: *Public resources for public sanitation: The cases of Merafong and JB Marks local municipalities*.

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# Towards Developing a Conceptual Model Underpinning Public Value Management

## Critical Considerations Concerning the Public Sector

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### ABSTRACT

The public sector in South Africa is expected to have, at minimum, prescribed values within its operations to maintain a predefined and uniform behaviour within its systems. Public value management (PVM) instills individual values into public sector organisational entities to help realise the expected benefits of promoting public sector values (PSVs). Despite its benefits, there remains many challenges relating to upholding these values. To this end, the article discusses PVM, the systemic failure of PSVs, as well as instilling values and managing conflicting values. The methodology entails unobtrusive research methods and employs a desktop research approach in terms of a comprehensive literature study and documentary analysis. In conclusion, the article proposes a conceptual framework for PSVs as well as a model for PVM.

### INTRODUCTION

Organisational behaviour is difficult to understand without paying attention to the values prevalent in those organisations. This is because organisations adopt different types of values within their operations. To gain insight into an organisation's

values, one must consider the values of its members (MacCarthaighn in Raleting 2022). The public sector is regarded as value-oriented, as decisions are value-based in public administration practice (Sindane 2011). The public administration has its own set of organisational PSVs, to guide public officials' behaviour within the public service practice (MacCarthaighn in Raleting 2022).

Identifying the values prevalent in an organisation facilitates a clear understanding of "how" and "why" some tasks and processes take place (MacCarthaighn in Raleting 2022). PSVs guide behaviour within public entities such as the government, as well as government departments and/or municipalities. First, PSVs help address the need to maintain legitimacy (Kernaghan 2000) and to meet goals and objectives. Second, these goals help establish cohesive structures that can resolve challenges and take advantage of opportunities in the operating environment (Molina & McKeown 2012). Public organisations are service-oriented and promote the well-being of citizens. Therefore, they apply various philosophies, mechanisms, processes and methodologies as a way of establishing, applying and promoting PSVs. The ultimate aim is to instill a specific behaviour in employees, which, in turn, ensures a desired organisational behaviour (Nabatchi 2012).

In South Africa, for instance, basic values and principles governing public administration are outlined in Chapter 10 of the *Constitution of the Republic of South Africa*, 1996 (the Constitution, 1996). With regard to public administration, the Constitution, 1996 states that:

- "A high standard of professional ethics must be promoted;
- Efficient, economic and effective use of resources must be promoted;
- Services must be provided impartially, fairly, equitably and without bias;
- People's needs must be responded to, and the public must be encouraged to participate in policy-making;
- Public administration must be accountable; and
- Transparency must be fostered by providing the public with timely, accessible and accurate information".

The Constitution, 1996 also states that public administration must be broadly representative of the South African citizens (representativeness). To achieve representation, employment and personnel management practices must be based on ability, objectivity, fairness and the need to redress the imbalances of the past (Section 195(1) of the Constitution, 1996).

A society that lacks shared societal values lacks that glue which holds its public administration together (Sindane 2011). Schein (2004) states that values are better conceptualised as "determinants of behaviour" and play a crucial role in comprehending organisational culture. Furthermore, values are determinants of human motivation, attitudes, behaviours, emotional needs and expectations

(Sindane 2011). Thus, it is important that the public sector upholds basic values and principles governing public administration to ensure constitutional compliance; to facilitate shared value development; and uphold public services and rights within society.

Through the promulgation of the Constitution, 1996, the South African government identified and prescribed basic values and principles governing public administration. Hence, PSVs, must be promoted by the public service across all three spheres of government (local, provincial and national). In addition to the Section 195(1) constitutional values noted above, the public sector must promote values and principles governing public administration, as contained in Section 4 of the Public Administration Management Act 4 of 2014 and Section 50(1) of the Local Government: Municipal Systems Act 32 of 2000, with specific reference to municipalities. Despite the legislative values and principles, Fourie (2015) states that there remain challenges concerning the implementation of PSVs to influence individuals' behaviour in an organisational context. In terms of promoting PSVs, scholars such as Nabatchi (2012), Kernaghan (2003) and Van Wart (1998) have discussed and classified problems such as value integration. These challenges relate to instilling values in individuals and organisational entities to realise the expected benefits of promoting PSVs.

According to the former Minister of Cooperate Governance and Traditional Affairs (CoGTA), Richard Baloyi, public service officials tended to behave as if they were doing the public a favour by performing their duties (Raleting 2022). This indicated that the public service failed to define and implement the norms and standards for public officials' interaction with the public and their work. However, Potoski and Van Slyke (2014 in Raleting 2022) argue that public officials experience pressure relating to PSVs, as they must balance their work with delivering services to both internal and external stakeholders. Thus, there might be other reasons besides complacency for the poor application of PSVs. Another possible challenge is the lack of a common conceptualisation of PSVs within the public service might affect the implementation thereof (Franks 2014).

Undeniably, the promotion of PSVs is a multifaceted problem within the public service. As PSVs underpin the behaviour of public officials, there is a need to explore its promotion within the public sector (Raleting 2022). Therefore, the article discusses the challenges concerning upholding values in the public sector. It explains PVM and pays attention to the systemic failure of PSVs. Consequently, it focuses on instilling values and managing conflicting values.

To address these issues the article finally proposes a framework to underpin the promotion of PSM for public sector institutions. The framework is proposed after noting discrepancies in the literature between values demonstrated in South Africa, which has resulted in a value gap among public employees' behaviour and legal and organisational prescripts.

## **CHALLENGES RELATING TO UPHOLDING PUBLIC SECTOR VALUES**

In South Africa, public service-related challenges can be traced back to the apartheid era when public services were fragmented and segregated. The majority of poor black people were served by less than 30% of public service resources, while over 60% of resources were reserved for white-dominated areas. The post-1994 democratic dispensation introduced the need for a public service overhaul: First, to dissolve the apartheid segregated structure and policies. Second, to accommodate new democratic values reflected in the interim and final Constitutions of 1994 and 1996, respectively (Reddy 2016).

Franks (2014) comments that, during the transition to democracy, public service transformation was strongly affected by the needs of the ANC to consolidate itself into power, as opposed to the need to set up a new and professionally transformed public service. Hence, public service transition took a political rather than professional stance. There was a need to develop a public service system that equitably served all South Africans while satisfying the political innuendos of the time (Reddy 2016).

The political transitions of the public sector, which can be described as the restructuring of political leadership processes to reflect the new governance structure, generally took priority and precedence over professional transition. Professional transition related mostly to changing the administrative processes and policies to deliver efficient and effective services. The aim was to meet the expectations of South Africans, especially those who had experienced poor service delivery under apartheid (Reddy 2016). One policy-related change introduced by the Constitution, 1996, is promoting basic values and principles governing public administration, or PSVs.

The below section discusses key aspects relating to a poor value system (ethical, professional and human values):

### **Skills and capacity**

Franks (2014) holds the view that political consolidation into the post-1994 public service created major skills and capacity problems that remain a challenge to this day. Skills challenges were brought about by the following factors. First, in anticipation of the end of the Sunset Clause in 1999 (a constitutional clause which guaranteed public officials their jobs for five years), several highly skilled individuals left the public service. Skills gaps were created, as persons with critical expertise and long-term institutional experience were replaced by less experienced personnel.

Second, skilling and capacity challenges were brought about by increasing political appointments into the public service (Reddy 2016). The governing party

was expected to employ its cadres in the administration. However, the extent to which this occurred was too large. In most cases, it resulted in the crowding out of professionals for politicians in public administration (Fraser-Moleketi 2006). Public administration jobs were generally offered to political loyalists whose competency levels often failed to meet the rigours of the job. While affirmative action (AA) was encouraged, it also took effect along political loyalty lines. Skills challenges within the public service also came as a result of the need to meet new expectations within the government and among the public.

To equitably serve all people and communities was a mammoth task (Reddy 2016). New skills sets were required to enable all spheres of government (national, provincial and local) to efficiently meet new, ambitious service delivery targets (Hoffman 2010 in Raleting 2022). Important skills that the public service struggled with included strategy and policy formulation, implementation and effective monitoring and the control thereof. As a response to many skills challenges, the government resorted to hiring external consultants from the private sector, some of whom had been part of the public service.

There was another skills and human resources issue that negatively affected the public service related to developing shared values and expectations to ensure that employees worked towards set goals and targets. Post-1994, the public service, as a result of decentralisation of departments suffered from various inconsistencies in the application of various policy sets and the provision of services (Franks 2014). Additionally, the levels of skills and capacity at different units differed significantly with some units being run by poorly qualified personnel.

Due to the various inconsistencies in policies and the lack of shared values, public servants used different references to fulfil their duties. Some public servants were guided by purely departmental values, while others used a wider set of values outlined by the Constitution, 1996 and various strategies like the Reconstruction and Development Programme (RDP). The government introduced the *Batho Pele* principles in 1997 to encourage government departments to abide by common public administration values. The government embarked on several training and skilling processes to solve both the inconsistencies and challenges and the general lack of administrative management and operational capacities (McLennan 2007 in Raleting 2022).

## Leadership problems

Several scholars such as Fourie and Poggenpoel (2016 in Raleting 2022) and Siswana (2007) identified a general leadership crisis as one of the challenges within the South African public sector. These scholars agreed that the leadership problem is associated with government policy interpretation and implementation, and a lack of inherent leadership skills and ethical commitment. According to

Fourie and Poggenpoel (2016 in Raleting 2022), these challenges can be traced back to the politically influenced recruitment procedures of public sector leaders. Siswana (2007) highlights that the national departments, in particular, faced severe competence problems in the interpretation and implementation of government strategies to meet policy objectives. Siswana (2007) argues that some public service leaders showed little or no competence in terms of supporting efficient public administration.

Fourie and Poggenpoel (2016 in Raleting 2022) report that, between 2003 and 2013, the public service comprised of both capable and committed leaders, as well as leaders who lacked management competence, skills and ethical commitment. According to Fourie and Poggenpoel (2016 in Raleting 2022), these poorly qualified leaders are a root-cause of public service inefficiency. In this regard, the authors found that, of the major inefficiency themes linked to leadership, only two themes – accountability and transparency – directly affect leadership. The ability to provide required service delivery levels, poor utilisation of resources, an inability to manage financial resources, and a lack of internal controls are not linked directly to the leadership. However, these themes can be used to define the public service environment within which leaders operate. The four themes are:

### **An Inability to provide required service delivery levels**

According to Franks (2014), public service inefficiency is one of the challenges that leads to poor public service delivery. In this regard, Fourie and Poggenpoel (2016 in Raleting 2022) state that a failure to address two main factors, namely a lack of specialised skills and expertise, leads to substandard public service delivery levels.

Francis (2013 in Raleting 2022) states that, in addition to a lack of skills, a lack of expertise influences the interpretation and implementation of solutions that remain a problem in the public service. As such, challenges relating to the implementation and analysis of strategies are attributed to lack of skill and expertise rather than will. While there has always been a political will to implement positive changes or introduce interventions in the public sector, officials' lack of skills and expertise leads to their inability to deliver services at required levels (Aye 2008).

### **Poor utilisation of resources**

According to Matzaris (2014), within South African local government, the poor utilisation and abuse of resources, including financial resources, leads to poor or no service delivery. For example, political leadership (specifically the mayor, speaker, chief whip and/or chairpersons of council committees) interfere with the daily operations within municipalities in South Africa (Ackermann 2015). Fourie

and Poggenpoel (2016 in Raleting 2022) state that, in particular, politicians tend to exceed their legal mandates in areas relating to supply chain management (SCM). Section 117 of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) prohibits politicians from partaking in SCM activities such as serving on bid committees or attending such meetings as observers. Fourie and Poggenpoel (2016 in Raleting 2022) point out that political interference leads to skewed recruitment processes (where politicians recruit one of their own), misappropriation of funds, misallocation of resources and possible corrupt activities, which, in turn, leads to poor service delivery.

Mantzaris (2014) states that theft, embezzlement and fraud are specific examples of financial resource mismanagement. Researchers such as Fourie (2015) and Tsheletsane and Fourie (2015) provide a more extensive list of causes of financial resource mismanagement, which includes a lack of honesty and integrity, accountability and transparency within the public service. In demonstrating the practical examples/forms of financial mismanagement, Mantzaris (2014) cites financing irrelevant issues; directing funds to areas which were not budgeted for; and a failure to optimally select the best-value-for-money deal as key examples.

This misuse and abuse of funds and mismanagement of financial resources creates many problems for communities/citizens as the recipients of public services. In this way, citizens are deprived of services for which they pay. As a result, the government forgoes an opportunity to raise its tax base. Moreover, the poor utilisation of resources, including financial resources, infringes on basic human rights (Tsheletsane & Fourie 2015).

## **Lack of internal controls**

Public service delivery failures are linked to poor internal controls in the South African public sector (Siswana 2007). For instance, the public sector in general (including public entities) has failed to implement internal controls based on the recommendations of both internal and external audits. As a result, the Public Audit Act 25 of 2004 has been amended to include consequence management. Ackermann (2015) concludes that the powers of internal audit teams are suppressed in municipalities by enabling both leadership and officials to manipulate and abuse systems (Siswana 2007).

According to Ackermann (2015) the capacity of internal audit teams in municipalities is yet another problem that leads to the lack of internal control. Mantzaris (2014) adds that the problem with internal audit teams in the public sector is the lack of capacity to fully monitor the institution. Munzhedzi (2016) recommends that the public sector builds the capacity of its internal audit teams, as a custodian of internal controls. This will enable the internal audit teams to meet the ever-changing operational needs and standards.

The lack of implementation of internal controls is a noncompliance matter to an Act of Parliament. For example, the Public Audit Act of 2004 mandates the Office of the Auditor-General to externally audit the public sector. The Office of the Auditor-General must confirm that satisfactory measures have been taken to ensure that resources are utilised economically, efficiently and effectively. Therefore, non-implementation and/or lack of internal controls must be extended to, and resolved at, leadership level. Lufunyo (2013) warns that, “if during implementation, there are interactions between internal and external factors affecting public service then failure is bound to happen”.

## **Corruption**

Corruption within the public sector has a negative impact on the most essential components of service delivery (Bauer 2000 in Raleting 2022). For instance, corruption deprives citizens of their basic human and constitutional rights (Fourie 2015; Tsheletsane and Fourie 2015). Furthermore, these activities compromise the ethical values of management and erode public trust in local government. Pillay (2004) states that the increase in corruption in local government is tied to the poor coordination of anticorruption measures and of public service agencies. For example, in 2018, Corruption Watch reported that 9.2% of all reported incidents of corruption pertained to local government.

## **Nepotism**

Nepotism is generally understood as the practice of favouring relatives or friends by those in a position of power or influence. According to Sebola (2014), nepotism in the public sector benefits a handful of individuals or political groupings. In general, nepotism has implications in situations where the selection and promotion of personnel/employees and the appointment and contracts of services providers are considered based on political affiliation to the governing political party.

According to Peters and Pierre (2012 in Reddy 2016), “The politicisation of the administration is a substitution for merit-based criteria in selection, retention, rewards and disciplining of members of the public service”. Another inherent problem identified by Reddy (2016) is the recruitment of senior managers (the municipal manager and managers directly accountable to the municipal manager) within local government. The municipal council has extensive power when executing its executive powers to appoint the municipal manager and senior managers. For instance, when a council implements Sections 54A and 56 of the Municipal Systems Act 32 of 2000 by appointing a municipal manager and senior manager, those in power/position of influence are given executive authority to execute the Act of Parliament.

According to Reddy (2016) and Holtzhausen and Naidoo (2011), the recruitment of senior managers along political lines is one of the main causes of service delivery protests. In line with this, former Minister of Local Government, Yumus Carrim, highlighted that most of the protests happening in the country are as a result of poor service delivery, especially in townships and informal settlements (Reddy 2016).

Reddy (2016) and Holtzhausen and Naidoo (2011) add that, in a local government setting, the inadequate separation of powers between municipal councils and political parties is one of the main reasons for poor service delivery. This is inherent in the structure of municipalities from legislation such as the Municipal Structures Act, 1998 and the Municipal Systems Act, 2000. According to Hitchens (2008), this situation is “an infinitely expanding tautology”. To overcome these obstacles, it is important that the above legislation be amended.

## **Bribery and gifts**

A gift, in terms of a general definition, is a token of appreciation and often follows a rendered service and/or an achieved milestone. For example, one may be offered a gift upon completion of a certain project on time. Munro-Smith (2010) distinguishes between acceptable and unacceptable gifts by stating that acceptable gifts include promotional material (T-shirts, pens, pencils and diaries). On the other hand, unacceptable gifts constitute bribery and therefore cause an ethical dilemma in the public sector (Sebola 2014).

The public service regulates situations where gifts are accepted through two widely adopted strategies. First, acceptable gifts are capped at the rand value of R1 000, and second, all government spheres in their respective institutions/departments must declare any gifts by implementing and maintaining a gift register (Public Service Commission (PSC) 2008 in Raleting 2022).

The acceptance and rejection of gifts in South Africa calls for many professional, ethical and personal considerations. In South Africa, some ethnic groups deem it disrespectful to turn down a gift (Sebola 2014). For instance, the PSC reported that, in 2008, most (60%) of the servants of public service who responded to a survey would take refusal of cultural gifts as a sign of disrespect (PSC 2008 in Raleting 2022). However, when certain gifts are accepted, it may expose public servants to corrupt activities (PSC 2008 in Raleting 2022).

Based on a 2008 survey by the PSC, 44% of respondents in the public service neither agreed nor disagreed whether public servants could accept personal gifts. While on the other hand, in the same survey, 21% of respondents agreed that public servants could accept personal gifts. In turn, some 35% of respondents disagreed with the idea that public servants could accept personal gifts. Sebola (2014) concluded that, in the public service, personal gifts are viewed as an act of

bribery. As personal gifts create an ethical dilemma among public servants, they have the potential to compromise integrity, accountability and transparency and fuel a loss of public trust (PSC 2008 in Raleting 2022).

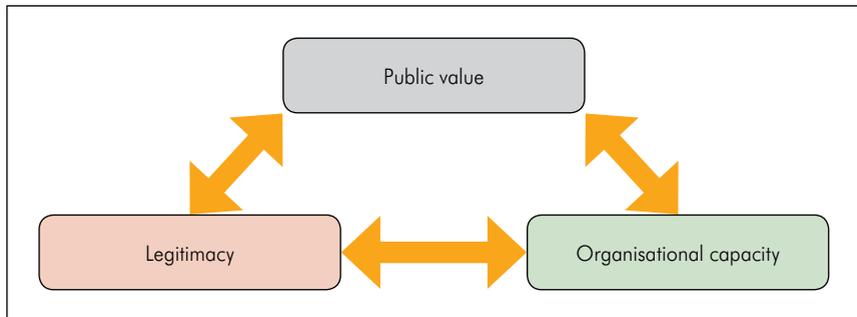
## PUBLIC VALUE MANAGEMENT

PVM theory, which was developed by Moore in 1995, gained global interest in the late 1990s (Alford, Douglas, Karin & Hart 2016). In developing the theory, Moore (1995) popularised the strategic pyramid concept, as outlined in Figure 1:

The pyramid concerns three critical aspects of PVM – public values, legitimacy and organisational capacity. Based in the PVM, an institution delivers defined public values based on their legitimacy and its capacity to do so (Moore 1995; Alford *et al.* 2016). Thus, a municipality would define PVM in terms of what the public sees as value and the legitimacy it has. The latter is based on constitutional and legislative mandates and the municipality's ability to exercise this mandate using available resources and capacity. In PVM, the term 'public value' refers to a service, product, process, method or any other expectation that citizens and residents benefit from and attach importance to (Alford *et al.* 2016). Under PVM, the role of public officials is therefore to provide this value to the public.

The PVM was conceived to reconcile and integrate the differences between the New Public Management (NPM) theory and Traditional Public Administration (TPA) theory. Proponents of PVM were of the view that the benefits of TPA fell away as a result of the adoption of NPM. While NPM had many advantages, it could benefit from adopting certain TPA characteristics (Turkel & Turkel 2009 in Raleting 2022). The TPA's focus on strict procedural conduct based on defined rules operating across defined structures was noted as an advantage that could benefit the NPM's control challenges and resulting corruption. At the same time,

**Figure 1: Strategic pyramid**



Source: (Adapted from Moore 1995)

customer-focused public administration under NPM was seen as a solution for poor resources allocation and management under TPA (Turkel & Turkel 2009 in Raleting 2022).

According to Moore and Khagram (2004), NPM's drive to apply private sector principles in the management of public sector entities suffered because of entrenched differences between the private and public sector. First, the public sector generated revenue in a very different manner than the market-oriented private sector. Also, it depended on taxes and levies paid by citizens. The use of such funds was more susceptible to questioning and scrutiny than in the private sector. Furthermore, the public sector again had no leeway to manage prices as independently as the private sector did. Second, the two systems differed in terms of managerial discretion. Public officials did not have as much autonomy as private sector managers in determining strategic and operational goals. Their goals as well as strategies to follow are handed down as part of the government process. They cannot simply come up with decisions for the enhancement of say, efficiency and effectiveness. Overall, these differences made the quick adoption of the public sector to private sector principles a challenge (Moore & Khagram 2004). In terms of PSVs, the PVM promotes values in terms of four components of the strategic pyramid. These are efficiency, effectiveness, representativeness and responsiveness (Moore & Khagram 2004).

## **SYSTEMIC FAILURE OF PUBLIC SERVICE VALUES**

Values have been identified as important elements in shaping how individuals in organisations, including municipalities, behave collectively (Schwartz 1992). However, the fact that society (or individuals) holds particular values is not a guarantee that these values will convert into expected behaviour. Research has shown inconsistencies between values and behaviour of individuals and societies. The following factors, or anti-value behaviour, could have a negative influence in the application of values (Olson & Bernard 2000).

### **Blind followership of values**

According to Olson and Bernard (2000), values can fail due to "blind followership" of public-held values. In their view, a society can develop and impose values on to its members, who may accept these values without much rationalisation. Olson and Bernard (2000) state that, while the US Declaration of Independence focuses on freedom and justice, widespread segregation, the denial of freedom and blatant inequality were commonplace during the civil rights era. This scenario can also occur at a smaller scale, in organisations, communities and among individuals.

## **Lack of cognitive reinforcement for values**

Lack of cognitive reinforcement for values and value systems was also noted as one of the causes of anti-value behaviour (Olson & Bernard 2000). Values must be supported or motivated by knowledge and reason. Where societies and individuals follow certain values without insight into their importance, it is easy to disregard these values (Sayeed 2016 in Raleting 2022). With training, public officials get to identify and understand important PSVs. Furthermore, they understand the rationality behind why certain values should be upheld and promoted (MacCarthaighn 2008 in Raleting 2022).

In their PSV model Molina and McKeown (2009) also discussed cognitive value reinforcement. In their view, public service officials gain a cognitive appreciation of values when these values are deemed as beneficial to reaching defined goals. If values fail to assist them to achieve their goals, they discard such values regardless of the importance of these values to the public or the institution. Thus, values are likely to fail if they are not supported by practical processes and systems that enable public sector officials to achieve organisational goals and objectives.

## **Incentives for anti-value behaviour**

Values can be disregarded in situations where individuals and societies perceive an opportunity to benefit from ignoring personal and organisational values (Olson & Bernard 2000). Unfortunate situations can arise where value systems take a backseat to a need for personal benefit. For example, value integrity can be sacrificed when one is likely to benefit from corruption. Under such a scenario, individuals and societies would perceive the benefit as an incentive for anti-value behaviour. Conversely, Callaghan (2014) argues that values, unlike attitudes, are more likely to persist across situations. They are generally solid enough not to be changed by any occurring situation.

## **Situational application of values**

Values, as stated by Olson and Bernard (2000), can be applied situationally. Olson and Bernard (2000) give examples of situations where people fail to act in emergency situations and appear to ignore the plight of victims. Even persons who hold strong values may find it challenging to act as a result of excessive public pressure, including the fear of being judged and the expectation that someone else will intervene.

In their value-behaviour experiment, Olson and Bernard (2000) found that, if individuals are pressured by society to act timeously and quickly, they were more likely to sacrifice important values to satisfy social pressures. Likewise, Brown,

Potoski, and Van Slyke (2006) state that public service officials may be pressured by time and resources to act outside their value systems. Brown *et al.* (2006) add that value application exists in conflict with other environmental pressures that are beyond the control of public service officials. As such, officials must strike a difficult balance between external pressures and value systems.

## **Value conflicts**

Government departments and other public sector entities face challenges such as resources, inequalities, skills, manpower and corruption. Public service officials apply organisational value systems to manage these challenges. In some cases, public institutions create a sense of discretionary application of PSVs (Franks 2014). Public institutions must define core values to help ensure that officials make objective decisions (Nabatchi 2012). Unfortunately, PSV-related actions and decisions are not always in agreement (Bao, Wang and Larsen 2011), which makes conflict among values inevitable (Kernaghan 2003). Value conflicts have also been analysed in association with different types of problems and challenges that government entities face (Bao *et al.* 2011).

## **Value integration challenges**

There are certain challenges relating to integrating PSVs into public administration. Merely devising a set of values is not enough to infuse value-based behaviour (Kernaghan 2000). Public sector entities, including public or state-owned enterprises, municipalities and government departments, experience value integration challenges. Kernaghan (2000) states that a failure to integrate new values with new public administration paradigms, is cause for concern. For example, while moving from bureaucratic to post-bureaucratic public administration, the European Union saw possible challenges in integrating organisational values of specific public sector entities and broader government (European Commission 2017 in Raleting 2022).

The weaknesses, as suggested by Franks (2014), are that values are generally not conceptualised well enough to be integrated across levels of government. Value disintegration is therefore not necessarily a structural problem but a problem with the abstract nature of values (Franks 2014). As such, values must be well defined to be operationalised.

## **Conflicting values concerning diversity**

A public service value system has inherent conflicting values due to various diversities imposed by seniority levels, personal belief systems and geographic

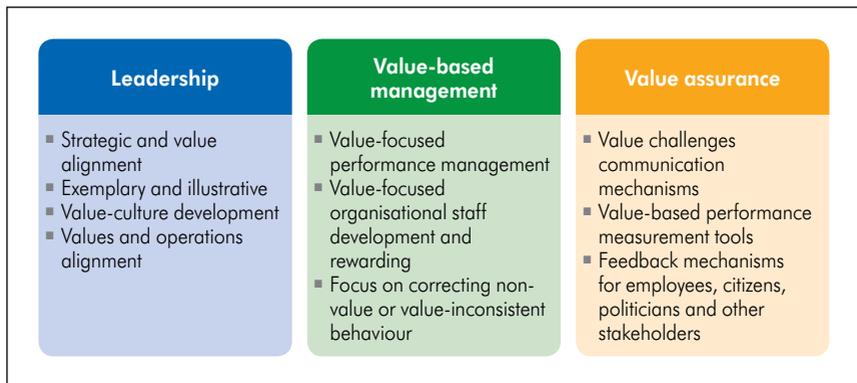
dispersions. Furthermore, political factors and conflicts within the public service as well as differing management philosophies create a challenge in terms of sustaining old or traditionally held values (Molina & McKeown 2009). Therefore, dynamism and diversity are a major source of value conflict in the public sector.

## INSTILLING VALUES AND MANAGING CONFLICTING VALUES

Values are inherent to a specific environment within which individuals are raised (Fresco 2012). For example, Hitchens (2008) states that certain societies accept violence, others value peace. In addition to environmental factors, values are a function of various background factors. Personal and community values are influenced and shaped by historical and cultural forces (Salikhova 2013 in Raleting 2022). Thus, to ensure the effective development of values, including PSVs, one has to create the environment within which the desired values are upheld to model the behaviour.

Fresco (2012) argues that decisions, values and behaviour are not created inherently, but are shaped by the external environment. It is difficult for a person to think outside their environment within which a desired value system is envisaged. As such, the public service must introduce the desired change to its employees through other means such as strategies for value development and the implementation of the recommended European Commission strategies (Raleting 2022). In 2017, the European Commission (in Raleting 2022) singled out the following three value development and implementation strategies: leadership, value-based management and value assurance. See Figure 2:

**Figure 2: Three value development elements**



Source: (European Commission 2017 in Raleting 2022)

## Leadership

Leaders play a key role in value development and implementation within their institutions (European Commission 2017 in Raleting 2022). Therefore, everything depends on leadership. To ensure employee buy-in, leaders must lead value change towards a desired organisational value system. Fresco (2012) advises that, when instilling value change, leaders must use employees' value systems as reference to ensure buy-in. However, leaders must note that not everyone will commit to the value change simultaneously. Therefore, leaders must bear in mind that values take four to 20 years to be internalised. Importantly, leaders must ensure that public service value promotion is aligned to the desired values of the organisational strategy (European Commission 2017 in Raleting 2022). According to Diescho (2019), leaders are responsible for ensuring that the organisation clearly defines its values, such as in a code of ethics or a code of conduct. The objectives and functions of the local sphere of government, as outlined in Sections 155 and 157 of the Constitution, 1996 inform the municipal strategy. As a matter of compliance, this strategy must be underpinned by basic values and principles (PSVs), as contained in legislation. Here, the municipal leaders, from an administrative level upward, must align the desired values with the municipal strategy.

PSV system development must enable effective and efficient public service delivery (European Commission 2017 in Raleting 2022). Within this context, public service leaders must develop policies which promote and instill the desired PSVs. To streamline the process, management could appoint/select value champions to create, disseminate and evaluate these values. For example, in a municipality, each senior manager/head of department could be assigned a value to champion. In this instance, the municipal manager, as an accounting officer and senior manager, could be a champion of 'accountability', while Technical Services could be a champion of 'responsiveness' to help resolve any identified backlogs and incident time frames (Bao *et al.* 2011).

## Value-based management

Value-based management (VBM), according to Bao *et al.* (2011), is the need to ensure that government and public sector entities' performance is assessed against a set of predefined public service values. For instance, VBM allows public sector officials to focus on managing comprehensive stages of value-based organisational development in terms of a behavioural and decisional framework/guidelines (European Commission 2017 in Raleting 2022).

There are three key approaches to manage PSVs. First, by identifying principal values to apply within a specified public service space. Second, by establishing

public administration processes based on identified PSVs. Third, through the implementation of public service actions that align with the established process. As such, VBM can be defined as a process of determining the economic and financial returns as quantitative values to establish strategies to create value within an institution (Koller 1994).

Codes of conduct, value training and value monitoring are three widely used strategies to effect VBM.

## **Codes of conduct**

Organisations develop a code of conduct to provide specific behavioural guidelines and requirements for their staff (Kernaghan 2003). A code of conduct contains specific values to promote and instill a certain level of ethics and integrity (Sayeed 2016 in Raleting 2022). In this way, a code of conduct could be used as a guideline to distinguish between good values and bad practices.

## **Training to promote organisational values**

According to Fresco (2012), values are learnt behaviour. Molina and McKeown (2009) state that PSVs can be introduced into the public service through academic education strategies. Within this context, public sector officials can be trained to understand, and embrace identified and adopted values to achieve a certain behaviour. PSVs influence how public officials interact with internal and external stakeholders as well as the quality of such interaction (Molina & McKeown 2009). PSVs, for example, are explicitly and implicitly evident in the skills, attitudes, beliefs and behavioural actions of public service officials.

Koller (1994) underscores the importance of implementing targeted value promotion programmes within organisations. Importantly, these programmes should include a value assessment element to determine their effectiveness. For example, when establishing a value promotion programme, the institution must consider factors such as the employment level, professional qualification level and years of experience.

Esteve, Boyne, Sierra, and Ysa (2013) state that there is a significant relationship between level of employment and promoting ethical values when an institution establishes a programme for ethical values promotion. In terms of professional qualifications, Esteve *et al.* (2013) add that individuals with professional and academic qualifications are more inclined to uphold professional values. Years of experience is an equally critical factor when developing a value promotion programme. Esteve *et al.* (2013) found that individuals with more employment experience uphold professional values rather than ethical values.

## Value monitoring

The promotion of values must be monitored to ensure the relevance of the desired values in order to discard those values that are not relevant. For instance, values may be monitored through the development of certain objectives which are expected to produce a specific outcome for a public service. The European Commission (2017 in Raleting 2022) provides an example of such a scenario in terms of transparency or accountability. When a municipality identifies accountability or transparency as a value to be promoted and monitored, such a municipality will establish Key Performance Indicators (KPIs) to measure and monitor how to achieve transparency and accountability. For example, municipal managers instill 'accountability' as a value when they discharge their duties as accounting officers by establishing a risk committee.

However, it is difficult to monitor abstract values such as integrity. Values such as integrity cannot be objectively and externally measured (European Commission 2017 in Raleting 2022). When an institution adopts an abstract value, it must develop behavioural/abstract value guidelines to enable monitoring.

## Value assurances

Value assurance is the process through which an organisation assesses and receives feedback regarding the progress towards instilling its desired value system (European Commission 2017 in Raleting 2022). This process enables an institution to uphold or discard certain values. In an institution, the value assurance process takes place either internally or externally.

To ensure effectiveness, the institution should increase feedback interactions with identified internal and external stakeholders (Molina & McKeown 2009). For instance, employee evaluations, with specific reference to PSVs, could be used as feedback mechanism for internal stakeholders. For external stakeholders, feedback could be obtained through public forums such as the Integrated Development Plan (IDP) forum. External value assurance feedback will allow management to evaluate the municipality's image based on public perception.

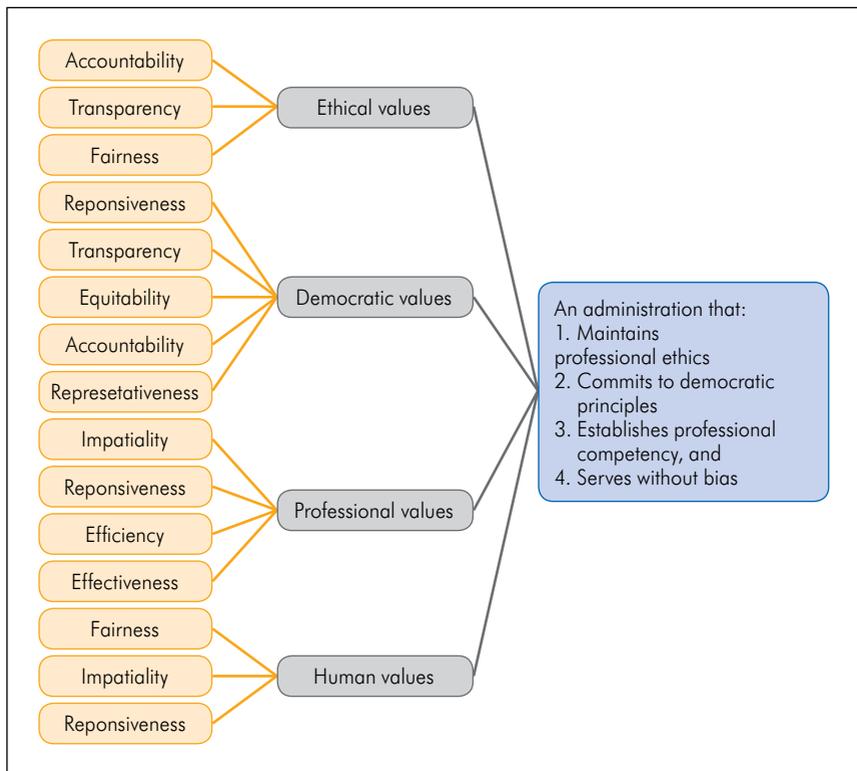
The value assurance feedback loop is critical to inform the municipality's value promotion strategy. This approach helps ensure that the municipality makes an informed decision regarding which values to promote or to discard. The main advantage of the value assurance feedback loop is that it is broad in nature and specific by design (European Commission 2017 in Raleting 2022). Thus, the feedback covers the entire spectrum of, for example, a municipality (community within which the municipality serves and the official who serves). In turn, the values will be operationalised to cover specific desired outcomes such as good governance.

## THE CONCEPTUAL FRAMEWORK

The PSV theoretical model, which was developed by Kenneth Kernaghan in 2003, was adopted as the main model to underpin this study. Several researchers such as Kernaghan, (2000), Kernaghan (2003) and Molina and McKeown (2009) state that values are studied better when grouped together. Furthermore, it is advantageous when values are given action-oriented definitions that describe ‘important’ qualities and standards that have a certain weight in the action of choice (Van Wal & Huberts 2008).

The values, as outlined in Figure 3, are grouped into four categories as was previously done by Molina and McKeown in 2009. Furthermore, each value within the respective categories was extrapolated from the Constitution, 1996. The other values were sourced from relevant literature (Rutgers 2008; Kernaghan 2003; Moore 1995; Rokeach 1973).

**Figure 3: Conceptual framework**



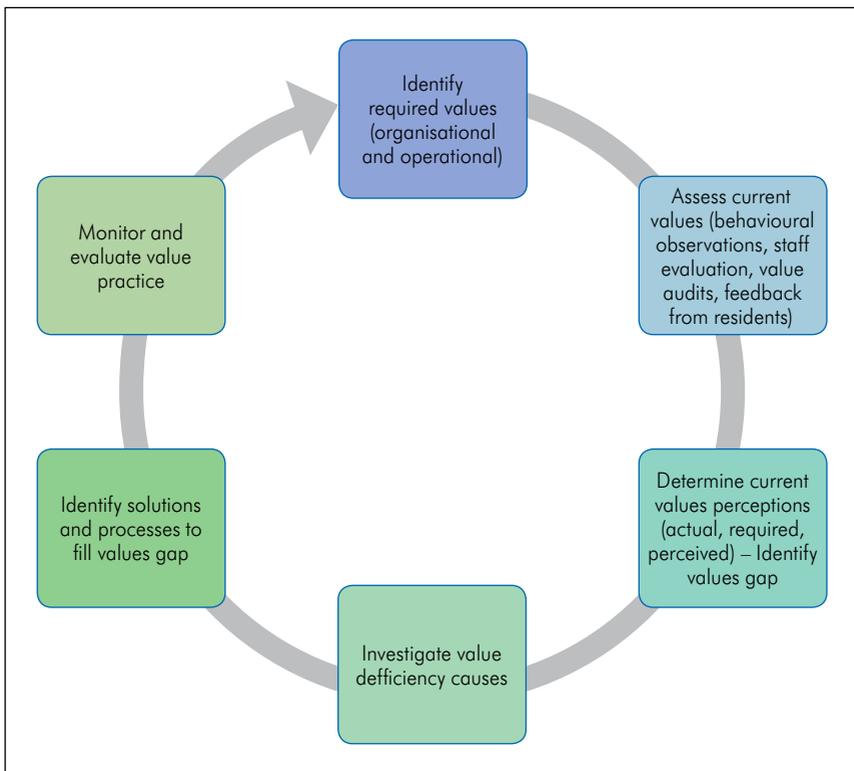
**Source:** (Adapted from Kernaghan 2000; Kernaghan 2003; Molina & McKeown 2009)

The premise on the conceptual model is that by promoting:

- Ethical values, public sector officials would demonstrate professional ethics when carrying out their duties.
- Democratic values, public sector officials would practise democratic principles.
- Professional values, public sector officials would carry out their duties with competency and due diligence.
- Human values, public sector officials would act without bias while performing their duties.

The promotion of the PSVs framework, as presented in Figure 4, provides a structure that public sector institutions can adopt and follow to promote PVM. It serves as a frame of reference which can be implemented as a whole or in part. In principle, a framework is able to be customised and flexible. The PVM framework was devised after the researchers recognised the vital role of

**Figure 4: Promotion of PVM model**



Source: (Raleting 2022)

external role-players in public sector organisations, such as national and provincial departments. The internal requirements, such as the IDP in local government, codes of conduct for public service employees and the actions of public employees, demonstrate that there exist differences in interpreting PSVs in the execution of functions.

The promotion of the PSVs framework operates in both the external and the internal environments. The external environment determines the values that the public administration must promote. Conversely, the internal environment accepts, conceptualises, promotes and gives effect to all the values prescribed by the external environment.

The first step in the framework involves identifying PSVs and values systems that the municipality needs to implement to attain its strategic and operational goals. This includes constitutional values, the public sector values outlined by legislation and the values stated in various policy documents such as codes of conduct.

The second step involves assessing the current value within the organisation to determine the degree of the gap within the institution. Tools that can be used include internal value-audits, qualitative and quantitative research, employee and management evaluations, observation of behaviours through monitoring tools, recorded feedback from the community and other stakeholders such as Treasury, the PSC and CoGTA.

The organisational environment consists of values that guide relationships within the municipality's workforce. In turn, the operational environment consists of values that guide institutional operations and relations with external stakeholders (Molina & McKeown 2012). Values need to be assessed in both environments. Moreover, certain values will be more applicable to specific departments.

After determining the efficiency levels of values, further research and assessment of causes can then be done using the same tools described above. The institution may then assess possible solutions that can help develop a scenario where the actual values held by public officials are in line with the institution's officially required values. Continuous monitoring and evaluation will also need to be undertaken to help narrow the gap.

The above model is based on the Social Sciences argument that behaviour and its antecedents, including values, attitudes and beliefs, can be reduced to a measurable state (Eagly and Chaiken 1998 in Raleting 2022). Additionally, the model also assumes that value development is continuous. Hence, the steps listed above can be carried out as many times as is deemed necessary to develop the required values levels. For instance, in a five-year review or on an annual basis.

## SUMMARY

From a constitutional and legislative perspective, all levels of government (national, provincial, local and public parastatals) are expected to promote PSVs. Many interventions, for example, codes of conduct and the *Batho Pele* principles, are enforced from time to time by the Auditor-General, the Department of Public Service and Administration (DPSA), CoGTA and Treasury.

The article presented various challenges involved in PSVs as well as debates associated with value classification. A PSV classification model that categorises values according to four broad types was adopted as the theoretical model for the study. Values that are applicable to the public sector can be categorised under four family values, namely ethical, democratic, professional and human values. The study also referred to Nabatchi's (2012) PSV classification that categorises PSVs into four frames – the political, legal, organisational and market frames.

The research revealed various causes for the failure of value applications, including a lack of adequate knowledge of PSVs, value conflicts, incentives for non-value behaviour, integration challenges and diversity. Training, value-based performance assessments and value-based leadership were some of the recommended strategies to introduce values into public sector organisations.

## NOTE

The article is partly based on an unpublished thesis of the author, TJ Raleting, submitted in 2022 for the degree of Doctor of Administration under the supervision of the co-author, Prof T I Nzimakwe, at the University of KwaZulu-Natal. The title of the thesis is: '*Exploring the promotion of public service values at Mantsopa Local Municipality*'.

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# E-procurement as a Monitoring Tool to Combat Corruption in South Africa

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## ABSTRACT

The article aims to explore the use of e-procurement as a tool to combat corruption in South Africa. The South African paper-based procurement system is ineffective, resulting in high procurement-related corruption cases. The emergence of the internet inspired many governments across the world including South Africa, to adopt e-procurement to improve procurement processes and eliminate corruption.

A qualitative approach to the study was employed to investigate the use of e-procurement as a tool to combat corruption in public institutions. Case studies as part of qualitative research were used to further explore e-procurement in Korea, Malaysia, Italy and Georgia. Moreover, the relevant research data was collected from various source materials such as books and scholarly journals with information relating to e-procurement in emerging economies.

The research findings revealed that the South African e-procurement system is currently at an infant stage and the traditional paper-based procurement is still dominant. The country's e-procurement systems, the Central Supplier Database (CSD) and e-Tender Publication Portal, have the potential to reduce corruption provided they are improved and fully operationalised.

## INTRODUCTION

Public procurement plays a very significant role in the socio-economic activities of the country and is considered a major economic player. In South Africa, public

procurement amounts to approximately 21.7% of the national Gross Domestic Product (GDP) (Anthony 2018:39) while in other countries it amounts to 10 to 25% of the GDP (Asian Development Bank 2013a:10). The funds allocated for public procurement can therefore subsequently affect the overall performance of the economy of a country.

According to the National Treasury (2015a), the South African public procurement is ineffective, and is characterised by among other things the lack of transparency and inclusivity and non-compliance with relevant procurement guidelines, which lead to corruption. Following this concern, the National Treasury then proposed that the procurement system should be reformed. The necessity to revolutionise the paper-based procurement system was inspired by the advancement of the Information and Communication Technologies (ICT) in many businesses and industries (Oyediran and Akintola 2011:558), the country case experiences on e-procurement as well as a need to address the weaknesses of paper-based procurement. Through the introduction of e-procurement, the South African government aims to transform paper-based procurement to electronic procurement, considering the advantages of the system which include improved procurement transparency, improved management of information and reduced procurement-related costs (Kramer 2016).

The main objective of this article is to explore the extent to which e-procurement can be used to combat corruption in public institutions. The article first conceptualises and then contextualises e-procurement in South Africa by providing the main procurement methodologies used in South Africa, the statutory framework governing public procurement, challenges of e-procurement as well as the related corruption cases in the country. Furthermore, the article provides the international lessons of experiences and best practices, then concludes with the provision of study recommendations and conclusions.

## **CONCEPTUALISING E-PROCUREMENT**

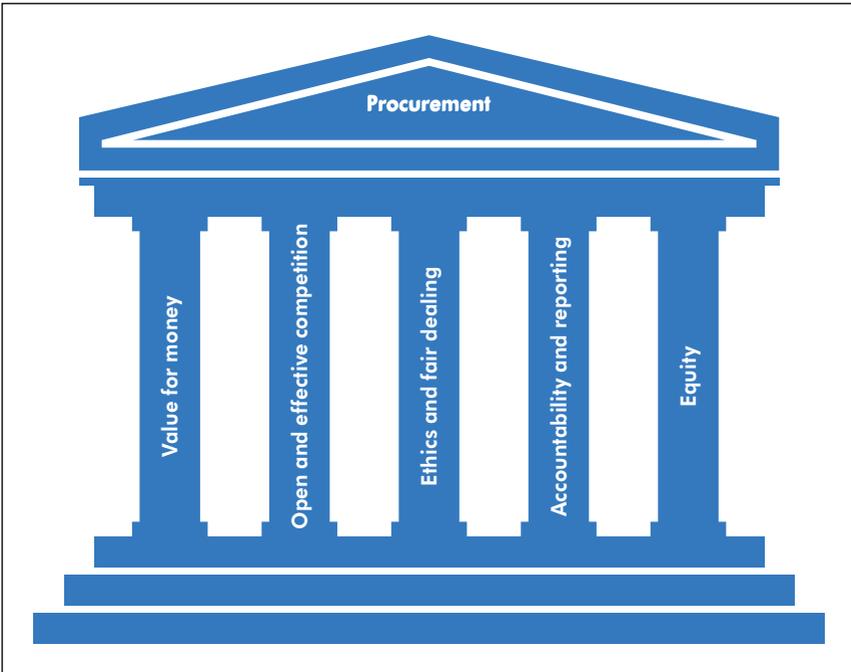
The term 'procurement' within the public sector context denotes the attainment of goods and services by government through either purchasing, borrowing or leasing from different private suppliers (Asian Development Bank 2013b:3). Dlamini and Ambe (2012:279) define procurement as a "systematic process of ensuring that maximum value is delivered to the organisation, through identification and selection of suitable and competent suppliers, negotiating, contracting, conducting supply market research, fostering supplier measurement and systems development".

E-procurement on the other hand can be defined as the use of various ICT tools to automate procurement activities (Anthony 2018:44). The prefix "e" refers

to electronic or related to the internet (Suleiman 2013). E-procurement requires the use of various ICT tools such as electronic bidding, notification and contract administration, to effectively conduct and manage public procurement activities. These ICT tools are then used to publish, process, exchange and store all the relevant information relating to public procurement (Mahmood 2010:107).

Various scholars have discovered that the use of e-procurement has several benefits to both the supplier and the government that could lead to the effectiveness of the system. Some scholars, however, are of the opinion that the implementation of e-procurement has a few uncertainties that could lead to a system failure (Hassan, Tretiakov and Whiddett 2011). The benefits of using e-procurement according to Belisari, Appolloni and Cerruti (2019:222) include reduced transaction costs, improved competition, prevention of fraudulent and corrupt activities, improved cooperation and communication and improved procurement monitoring and control. The challenges of e-procurement as identified by Sinkala (2018) include the lack of adequate technological infrastructure, lack of skilled personnel with knowledge on e-procurement, lack of adequate legal and regulatory frameworks on e-procurement and lack of senior management support

**Figure 1: The five main principles of procurement**



Source: (Adapted from the National Treasury 2015b)

for implementation of the system. Some challenges of e-procurement relevant to South Africa are discussed further in the below sections.

In order to effectively operationalise e-procurement as a tool to combat corruption, the system should be based on the principle of value for money, accountability, equity, ethics and fair competition as illustrated in Figure 1 (National Treasury 2015b).

Figure 1 illustrates that for public procurement to be effective, the principles of value for money, equity, accountability, effective competition and ethics should form the basis of procurement. The principle of value for money can be defined as the “best available outcome when all applicable costs and benefits over the procurement cycle have been taken into consideration” (Fourie and Malan 2020:6). Open and effective competition denotes a clear and competitive procurement procedure. Ethics and fair dealings require all procurement stakeholders to act within the prescribed ethical standards and based on mutual trust and respect (Fourie and Malan 2020:6). The principle of accountability and reporting requires all procurement stakeholders to be accountable for their decisions and actions and be bound to transparency in administration. The principle of equity is a crucial principle of procurement, particularly in South Africa, given the history of apartheid. This principle requires that suppliers should be treated equally despite their background, race, belief, gender etc. The principle of equity aims to implement support measures to accelerate growth of Small, Medium and Micro Enterprises (SMMEs) and previously underprivileged groups (black people, women and people with disabilities) (Fourie and Malan 2020:7).

## **CONTEXTUALISING E-PROCUREMENT IN SOUTH AFRICA**

The public e-procurement in South Africa is centralised. The National Treasury and the Office of the Chief Procurement Officer (OCPO) established e-procurement models, namely, the e-Tender Publication Portal and the CSD system primarily to address the weaknesses of the traditional paper-based procurement while capitalising on the potentialities of ICT in public procurement. The e-Tender Publication Portal is an internet-based portal that circulates all government procurement opportunities of all spheres of government while the CSD digitalises the supplier information on a single platform (Kramer 2016). Centralisation of procurement activities can result in a more focused monitoring and evaluation of the system, an effective use of public procurement as an economic policy tool and increased economies of scale. The shortfall of centralisation can, however, result in complex and time-consuming procurement processes and limited supplier choice (Asian Development Bank 2013b:27).

The OCPO was established in 2013 to manage public procurement and to show the government's commitment to streamline procurement processes while providing goods and services. The main purpose of this office is to ensure that public procurement is conducted based on the principles of accountability, transparency, equity, competitiveness and value for money (National Treasury 2018b:6). Although the office is not directly involved in the day-to-day procurement activities, its strategic objectives include monitoring and assessing the performance of public procurement, modernising public procurement frameworks and advancing the capacity of public procurement officials (OECD 2016:26).

The implementation of the e-procurement system in South Africa is relatively new, thus the OCPO can be seen as an effective tool to manage public procurement through its strategic objectives. The primary objective of the OCPO is to exercise oversight and control on public procurement in South Africa. The work of the office generates valuable information that can be used to monitor and assess the overall effectiveness of public procurement and ensure consistency in the application of procurement guidelines across different sectors of government.

## **E-Tender Publication Portal**

The e-Tender Publication Portal publishes all public procurement opportunities as well as the tender awards of the advertised opportunities. The aim of this portal is to encourage and improve public procurement participation by enabling the South African businesses, including the SMMEs to identify and compete for government procurement opportunities. In addition, the portal further aims to enhance access to public procurement information and enhance efficiency and transparency of tender award processes. The portal enables prospective suppliers to access and retrieve all the necessary procurement information at any given time (National Treasury undated:a). This therefore means that the portal has the potential to reduce procurement corruption and tender-related disputes.

One of the major shortfalls of the e-tender publication portal is that only tenders that are worth more than a certain amount of money can be published on the portal while those that are worth less than the set amounts are not made public. Public procurement officials, issue tenders less than a certain amount deliberately so that the procurement process can be handled internally. This enables these officials to manipulate the procurement process and eliminate effective competition for their own private gains and benefits. It is therefore of crucial importance that these e-procurement systems include all the necessary functionalities and requirements to reduce the chances of corruption and manipulation of the system.

The main objective of the e-tender publication portal is to centralise public procurement opportunities in order to improve procurement competition, accessibility and transparency and promote supplier inclusivity and accountability.

According to the National Treasury (2018a), some public institutions are not registered with the portal. Some logical explanations to this include lack of adequately trained personnel on e-procurement, lack of proper technological infrastructure and poor or lack of system implementation and management protocols. Failure to operationalise e-procurement can enable procurement officials to manipulate the procurement procedures in favour of their own personal private gains and benefits. The same way the government has made it mandatory for suppliers to register on the CSD to participate in public procurement opportunities, it should also be mandatory for all public institutions to fully operationalise e-procurement systems. This can be done through government's investment in training and development of procurement personnel and investment in proper technological infrastructures, among others.

## **Central Supplier Database**

The CSD on the other hand is an online platform that contains a database of different businesses and individuals who wish to participate in government procurement opportunities. The CSD provides real-time and accurate supplier information because it enables different potential suppliers to self-register on the system and up-date their information once registered. Therefore, the potential supplier can be assessed for inclusion and participation in government procurement opportunities once successfully registered (National Treasury undated.b).

The main aim of the CSD is to bring together different suppliers (businesses and individuals) and buyers (government institutions) by providing a uniform and standardised registration of supplier information in a single point of entry that can be accessed by different government institutions. The supplier information is then verified with the relevant data authorities such as the South African Revenue Services (SARS), the Department of Home Affairs, the Companies and Intellectual Property Commission (CIPC) and the relevant banking institutions such as Standard Bank and First National Bank (FNB). The main aim of the CSD is to minimise duplication and fragmentation of supplier information as well as the verification of the accuracy of the supplier information. The supplier information verification includes information such as tax clearance verification with SARS, business registration with CIPC, verification of the bank account with the relevant banking institution and the verification of the identity of the supplier through their Identification Number with the Department of Home Affairs (National Treasury 2018b).

One of the major shortfalls of the CSD is that the accuracy of the supplier information is to some extent incomplete. For instance, the system does not exhaust all the necessary information such as the BBBEE status. In some instances where the procurement opportunity requires BBBEE status of a certain level, some suppliers

may forge or manipulate their information to favour them since the status cannot be verified.

The government of South Africa spends a significant amount of over R500 billion in procuring goods and services through over 1 000 procuring entities annually (National Treasury 2018b). This enormous amount of money should be spent effectively and efficiently to enable the government to deliver public goods and services in the desired quantity and quality. However, paper-based procurement is still dominant, and the e-procurement systems (e-Tender Publication Portal and CSD) are a part of the government systems that are not fully exploited as about 45% of public procurement is still conducted manually (Kramer 2016). This is a huge gap that can open various routes for corruption and maladministration in public procurement.

## **Statutory framework guiding e-procurement**

Various Acts guide public procurement to ensure that it complies with the principles outlined in Figure 1 according to the National Treasury (2015b). These Acts include but are not limited to the *Constitution of the Republic of South Africa*, 1996, the Public Finance Management Act 1 of 1999, the Preferential Procurement Policy Framework Act 5 of 2000, the Prevention and Combating of Corrupt Activities Act 12 of 2004 and the Electronic Communication and Transaction Act 25 of 2002. These Acts are briefly explained below.

Section 172 of the Constitution, 1996 as the superlative law of the country states that “when an organ of state in nation, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective” (Republic of South Africa 1996). The country’s Constitution further indicates that procurement policies should be in place to accommodate the classification of preference in provision of government contracts and the advancement of those who were previously disadvantaged. A previously disadvantaged group is a collective term used to describe people who fit the category of black people, people with disabilities and women, as recognised in terms of Section 9(2) of the South African Constitution.

The main purpose of the Public Finance Management Act 1 of 1999 is to ensure public financial transparency, accountability and effective management of public finances. This Act makes provision for government institutions to have and maintain effective, efficient and transparent measures of risk and financial management, internal auditing and control measures and acceptable procurement frameworks (Republic of South Africa 1999). Taking note of the benefits of e-procurement, the system can therefore be regarded as a benchmark that can be utilised to facilitate these measures.

The Local Government Municipal Finance Management Act 56 of 2003 at the local level of government was established to effectively manage municipal financial matters. Section 112 of the Act further requires municipalities to establish and implement their own procurement policies that are based on the key principles of procurement as illustrated in Figure 1 (Republic of South Africa 2003). The main purpose of this Act according to Turley and Perera (2014 in Fourie and Malan 2020) is to “streamline budgeting, accounting and financial management practices, and defines the roles of the council, mayor and officials in supply chain management” at the local level of government.

The Preferential Procurement Policy Framework Act 5 of 2000 is established to enhance public procurement reforms post the apartheid era through the “introduction of a preferential system to address specific socio-economic objectives” (Fourie and Malan 2020:5). This Act provides for the groups of preference in the provision of government contracts and advancing those who were previously disadvantaged, in line with the Constitution of the country (Republic of South Africa 2000). To support this Act, a Broad Based Black Economic Empowerment (BBBEE) scorecard initiative is used to allocate government contracts and encourage public participation in government procurement opportunities.

The Prevention and Combating of Corrupt Activities Act 12 of 2004 was established to ensure that procurement activities are conducted within the free-corruption frameworks. The main purpose of this Act is to combat corruption in procurement, ensure that those committing and involved in corruption crimes are charged and penalised and further provides the penalties for corruption charges (Republic of South Africa 2004).

The Electronic Communication and Transaction Act 25 of 2002 is established primarily to facilitate, regulate and promote the use of electronic communications and transactions. This Act is further aimed at preventing the exploitation of information systems while encouraging the use of e-government services (Republic of South Africa 2002). Within the e-procurement context, this Act can be used to facilitate, regulate and promote the use of e-procurement systems and prevent the abuse of these information systems as well as procurement corruption. The Electronic Communication and Transaction Act can be used to ensure that the public has access to real-time and accurate public procurement and related information in an easy and understandable manner and that public officials cannot use these government procurement systems to practise corrupt activities without being held accountable.

It should be noted that the aforementioned legislation on e-procurement does not exhaust all the legislation guiding e-procurement in South Africa. There is a wide range of legal pieces that can be drawn on within the context of public procurement; however, for the purpose of this research, the study explained only a few.

Although the available legislation on public procurement in South Africa does not make specific reference to an internet-based procurement, there are some regulations that can be drawn within the context of e-procurement. Legislations such as the Electronic Communication and Transaction Act of 2002 and the Preferential Procurement Policy Framework Act of 2000 for instance, do not make any specific reference to e-procurement; however, these Acts can still be applicable to e-procurement. Legislations with specific reference to e-procurement are necessary to effectively regulate internet-based procurement activities and help combat procurement-related corruption. Policies and regulations relating to e-tendering, for instance, should be available for detailing the guidelines on e-tendering.

## **CURRENT E-PROCUREMENT CHALLENGES IN SOUTH AFRICA**

In over 50 countries that have successfully implemented e-procurement, the system has been demonstrated as a viable instrument in the battle against corruption, the advancement of integration and incitement of greater productivity (Mahmood 2010:108). E-procurement improves procurement inefficiencies and reduces both direct and indirect procurement-related costs, improves the flow of information and information management. Moreover, it provides a transparent and traceable record of transactions and improves the public resource management and procurement performance (Johnson and Klassen 2005:7). Calipinar and Soysal (2012:234) further add that e-procurement can increase the supplier choice by expanding on the supplier base and improve the effectiveness of procurement cycles as well as purchasing processes.

While e-procurement is a fundamental instrument to operationalise ICT tools into the procurement process to address the weaknesses of paper-based procurement and reduce corruption, there are still some challenges around it that remain a central concern, particularly in South Africa. For instance, the inadequate procurement procedures in response to natural disasters, the participation of suppliers owned by government officials, inadequate cyber security legal frameworks and poor power supply are some of the key challenges that influence the implementation and use of e-procurement by the government (Sinkala 2018 and Kühn and Sherman 2014). These challenges are expanded further below.

The emergence of the Covid-19 pandemic has forced various governments across the world, including South Africa, to declare a full national lockdown primarily to flatten the curve of the virus infections by reducing the spread of the deadly virus, expand on the healthcare system and ramp up the testing and

prevention strategies (Republic of South Africa 2021). Public procurement activities are conducted regularly to meet the needs and demands of the public; hence, in the midst of the pandemic, governments were still expected to ensure a continual provision of public goods and services while maintaining law and order. The South African government like any other government conducted procurement activities in accordance with the exceptional National Treasury Regulations which amended certain emergency procurement processes. Public procurement processes were, now more than ever, expected to be effective and efficient (Fourie and Malan 2020:1).

According to Kühn and Sherman (2014:19) an emergency response to natural disasters and other events can open new opportunities for corruption. For instance, the emergence of Covid-19 forced the South African government to procure goods and services such as Personal Protective Equipment (PPE) urgently to respond to this “natural disaster”. Proper procurement processes during these times are often overlooked because of the urgency of the matters. Many suppliers as well as procurement officials, saw this as an opportunity to manipulate the system for their own personal and private gain. The results of procurement in response to natural disasters can include suppliers hiking their prices and paying bribes to be awarded tenders, tenders being awarded to public officials and relatives and public resources being stolen for personal use, for instance, officials taking a department’s PPE to their own homes and relatives.

Public procurement in response to a natural disaster further opens an opportunity for the participation of front or shell companies. A shell company is a corporation that is established primarily to insulate the beneficiaries from taxes and disclosure. Such companies do not have any address, employees and commercial jurisdictions (Kühn and Sherman 2014:20).

Fourie and Malan (2020:10) believe that the government cannot afford financial losses and fruitless and wasteful expenditure due to poor decision-making, negligence and inefficiencies in public procurement. The non-compliance to procurement procedures which results in unfair competition and lack of transparency and accountability often results in high prices being paid for goods and services that either do not exist or can be obtained at a cheaper alternative price. Public e-procurement can assist in the verification of the supplier information, investigation of the credibility and reliability of a supplier, provide a thorough background of a supplier and maintain a transparent record keeping system of all the transactions that occurred regarding a particular supplier.

The participation of companies that are fully or partially owned by public officials is another form of corruption activity in public procurement. According to Fourie and Malan (2020:10) the South African Auditor-General’s annual reports of 2016-2019 revealed several cases where government contracts were awarded to public officials and their elites without the necessary declaration of interests.

According to Kühn and Sherman (2014:20) the participation of such companies in public procurement opportunities is unfair because the respective officials may give inside information to their companies or relatives that other companies may not have. Moreover, these officials may significantly influence the decision and evaluation of tenders in favour of their own companies.

The 2019/2020 report by the Auditor-General South Africa (AGSA) (AGSA 2019/2020:11) indicated that even though the AGSA's investigations revealed that many officials and their elites were awarded government tenders without the necessary declaration of interests as per the Public Service Regulations, little action was taken to ensure compliance. The Public Service Regulations requires all public officials to declare their financial interests (either directly or indirectly by implication through relatives) and prohibit them from participating in any public procurement opportunities.

Vaidya, Callender and Sajeev (2017:482) noted that the sensitivity of public information as well as the nature of public e-procurement makes cyber security a critical concern. ICT developments are expanding in South Africa, and so are cyber-attacks. Lack of adequate legislation on cyber security is a serious concern when it comes to an effective use of e-procurement. According to Kramer (2016) paper-based procurement is still dominant. Many public procurement regulations were developed to facilitate paper-based procurement, not a digitalised procurement system. Cyber security refers to the protection of computer systems and a network of information disclosure, theft or damage digitally. The legal frameworks on cyber security matters are thus still inadequate in South Africa. The inadequacy of legal regulations of cyber security poses a challenge to accommodate recent cybercrimes such as fraud, imposter and unauthorised access and theft of private information (Suleiman 2013:34).

Inadequate supply of power is another major challenge for effective use of e-procurement in South Africa. According to Eskom executives' report to the parliament (Business Tech 2020) South Africans "can expect power supply to be unreliable and unpredictable as it repairs it's poorly maintained generation plants over the next 18 months" and could experience up to Stage 3 load-shedding until March 2022. Inefficient power supplies will force the use of the alternatives such as power generators, which can be costly due to expensive fuel prices. Poor power supply makes the use of e-procurement ineffective and inefficient and forces governments to rely on the paper-based procuring method, which is believed to be the root cause of corruption (Suleiman 2013:36).

In conclusion, the identified challenges of e-procurement in South Africa can be seen as key barriers to an effective procurement system. It is of crucial importance that governments strive to ensure that the benefits of procurement always outnumber the challenges. Furthermore, strategic measures should be in place to address the identified challenges. For instance, the issue of poor

power supply can be addressed through means of ensuring that there is a generator or solar energy system that can be used as a backup should the power go off. Inability to identify and address such challenges will ultimately result in failure to manage an effective procurement system which will further result in increased procurement corruption.

## **PROCUREMENT CORRUPTION-RELATED CASES IN SOUTH AFRICA**

According to the Public Service Commission (2013), over a thousand procurement-related corruption cases are reported annually. Corruption can be in the form of bribery, extortion, nepotism, embezzlement, fraud and influence peddling (Myint 2000:35). The main purpose of this section is to provide examples of procurement-related corruption cases in South Africa.

### **The Department of Health**

In the Gauteng Province, an Information and Technology (IT) infrastructure was procured without following the necessary procurement procedures resulting in a loss of over R148 million even though cheaper alternatives were available. In the Northern Cape Province, large amounts of money were paid for mammogram services even though the hospital where the services were supposedly rendered did not have a mammogram machine. In KwaZulu-Natal Province, contracts for radiology equipment were awarded to bidders that did not qualify for the tender as per tender evaluation processes. The AGSA report further revealed that these bidders also inflated their prices higher than the bidders that should have been awarded the contracts (AGSA 2018/2019:31)

### **The Department of Road and Public Works**

The Department of Road and Public Works in the Eastern Cape did not comply with the relevant procurement procedures when appointing a consultant to assist with the preparations of its 2016/2017 financial statements and relevant documentations. The department consulted the provincial treasury to allow it to deviate from the competitive bidding process as per Treasury regulation 16A6.4 (which allows deviations from competitive bidding when it is impractical to follow such process), however, the application was declined. The department appointed the consultant despite the provincial treasury's outcome and disclosed the amount as irregular expenditure. The total value of the contract was R45 million (AGSA 2017/2018:20).

## **The Department of Cooperative Governance and Traditional Affairs**

The Department of Cooperative Governance and Traditional Affairs (CoGTA) in KwaZulu-Natal also did not follow the relevant procurement procedure when appointing legal services and related matters' contracts. These contracts were worth R2.3 million. The department argued that appointments of these contracts were based on an urgency to file and serve certain legal matters. Despite the department's reasons, the AGSA 2017/2018 report revealed that the reasons for deviations from the relevant procurement procedures were unjustifiable (AGSA 2017/2018:20).

The abovementioned procurement-related corruption cases are an indication that the South African public procurement system is far from being effective. It should be noted that the time frame within which these cases were reported is less than five years ago (2017-2019). E-procurement was introduced in South Africa in 2015 and yet the government is still experiencing high corruption cases of procurement. These cases are evidence that the country's public procurement system is inefficient and ineffective. A continuous rise in the procurement corruption cases will result in poor service delivery and continuous civil unrests.

The government cannot afford to experience corruption and wasteful and irregular expenditure at the expense of not only taxpayers but the overall economic performance of the country. An effective procurement system can save governments significant amounts of funds, funds that can be used elsewhere, for instance, investing in infrastructure developments and power supply. The need to improve the country's e-procurement system can further be necessitated through the exploration of international lessons of experience and best practices on the use of e-procurement as a tool to combat corruption, as discussed below.

## **INTERNATIONAL LESSONS OF EXPERIENCE AND BEST PRACTICES**

According to Anthony (2018:40), there is a slow adoption of e-procurement worldwide despite its potentialities. Pop (2011:121) believes that the reason behind this slow adoption is poor technological infrastructure, resistance to change and cultural differences, among others. Despite this, some countries have managed to successfully implement e-procurement. The following are examples of international lessons of experiences and best practices on e-procurement as a tool to combat corruption.

## **Korea**

In Korea, a fully integrated start-to-finish e-procurement system named Korea On-line E-procurement System (KONEPS) was introduced in 2002 to improve public procurement. The system covers the entire procurement process including a once-off supplier e-registration, e-tendering and e-contract administration. It is mandatory for all public institutions to publish tenders through KONEPS (Organisation for Economic Co-operation and Development (OECD) 2016:22; Asian Development Bank 2013b:25). Within two years of its introduction, over 62.7% of public procurement was conducted through KONEPS. The system enhanced procurement transparency and reduced administration costs. Moreover, the introduction of KONEPS further increased public participation in procurement opportunities and reduced procurement-related corruption (OECD 2016:22).

In order to ensure that KONEPS was effective, the Korea Fair Trade Commission which run BRIAS (a KONEPS system) was introduced. The Bid Rigging Indicator Analysis System (BRIAS) is a KONEPS automated system that detects suspicious corrupt activities or strategies in the public procurement process. The Korea Anti-Corruption and Civil Rights Commission study further revealed that the Integrity Perception Index (IPI) of the Public Procurement Service (PPS) has improved by 1.45, from 6.8 to 8.52 out of 10 since the introduction of KONEPS (OECD 2016:22).

One of the major challenges since the introduction of KONEPS was the issue of borrowed e-certificates by different suppliers in order to be competitive when tendering. The Korean government, however, introduced a Fingerprint Recognition e-Bidding to mitigate this risk. The Fingerprint Recognition e-Bidding is a biometric security system that allows users (suppliers) to tender for only one company per tendering project. The supplier's biometric information is stored only in the relevant supplier's data to avoid disputes over government's data storage of personal information (OECD 2016:22).

## **Malaysia**

In Malaysia, public procurement was characterised by a lack of transparency, unfair procurement competition and corruption activities such as fraud, fronting and irregular and wasteful expenditure. The government decided to invest an estimated amount of R44.4 billion (MYR 12.9 billion) to develop and implement e-procurement and ICT-related programs to address the inefficiencies of the paper-based procurement. The Malaysian e-Perolehan, an e-procurement system, was then developed in 1999 to ensure transparent procurement and reduce procurement corruption. E-Perolehan is a full e-procurement system that covers the entire procurement process electronically. In order to participate in public procurement

opportunities, it is mandatory for suppliers to register on the system at a fee (once-off registration fee) (Kaliannan, Awang and Raman 2009:104).

The Malaysian National Broadband Plan was established including an agreement between the Malaysian government and Telkom, a telecommunications service provider, to build a high-speed broadband network to operationalise e-procurement countrywide. The main purpose of this project was to encourage the use of e-procurement while improving the government's technological infrastructure. Some results experienced after the successful implementation of this initiative included an increase in participation of public procurement opportunities, increased procurement competition and transparency and reduced fruitless and wasteful expenditure. A direct human integration into the system was significantly reduced which prevented corruption and abuse of discretion (Kaliannan *et al.* 2009:108).

## Italy

The Italian government was the first government in Europe to set up e-procurement. The public e-procurement was introduced to reduce bureaucracy and simplify procurement procedures while stimulating competition and innovation through the centralisation of public procurement (Bof and Previtali 2007:2; Previtali 2012:235). From a supplier perspective, challenges experienced concerning the traditional paper-based procurement system included limited assistance by the Concessionaria Servizi Informativi Pubblici (CONSIP) in the follow-up operation, insufficient specification of technical features in bids and unclear requirements for participation in auctions. CONSIP is a public procurement service institution that monitors and manages procurement of goods and services. E-procurement was introduced to establish clear communications and policies for conflict of interest, manage procurement activities and improve transparency and competition (Magrini 2006).

According to Bof and Previtali (2007:2) the implementation of e-procurement resulted in accelerated flow of procurement information, reduced paperwork, improved supplier information accuracy and improved procurement auditing and management. Despite these benefits, Bof and Previtali (2007:3) believe that the Italian government faced some challenges upon the first implementation of e-procurement such as the lack of technical expertise on the system, lack of cyber security and high technological advancement costs.

In addressing the identified challenges, the Italian government invested large amounts of money in advancing the technological infrastructure and training and development of both suppliers and officials to effectively facilitate the new system. Stakeholder engagement was a vital instrument for the Italian government in order to operationalise e-procurement, thus, training and development on

e-procurement to both suppliers and officials was initiated. Much emphasis was placed on reducing bureaucracy and simplifying the public procurement process thus, the government of Italy went all out to ensure that the system is a success and can be used as a tool to reduce corruption and procurement administration costs (Bof and Previtali 2007:6).

In order to ensure a continuous improvement on e-procurement, the government strives to ensure that it provides suppliers with feedback on the outcome of bidding, regardless of their status (win or loss), monitors the performance of contracts through performance rating tools, provides instruments to list and suspend suppliers with poor performance and unethical behaviour and integrates knowledge management on e-procurement (Magrini 2006).

## **Georgia**

Prior to the implementation of e-procurement, public procurement in Georgia was characterised by the lack of transparency and access to the system, bureaucracy and lack of adequate skills and capacity of procurement. E-procurement was developed in 2010 to address the inefficiencies of paper-based procurement. The State Procurement Agency, a government institution, is responsible for monitoring and coordinating the Georgian e-procurement system and ensuring compliance to procurement legislations (European Bank for Construction and Development 2015:55).

To ensure an effective implementation of e-procurement, the government of Georgia ensured full stakeholder engagement and participation through training and development (European Bank for Construction and Development 2015:59). Kessler (2004:5) believes that stakeholder engagement and participation increases the level of understanding and support for e-procurement and reduces the potential conflicts and misunderstandings. Moreover, stakeholder participation is an important instrument to show stakeholders that their insights and opinions are meaningful. The European Bank for Construction and Development (2015:59) noted that some benefits resulted from the implementation of e-procurement and included among others increased transparency and reduced procurement corruption activities. One of the major shortfalls experienced from this initiative, however, include an inadequate legal framework regarding e-procurement and procuring procedures for tenders that are worth above a certain amount of money. For instance, the law makes exceptions on procuring goods and services that are worth more than USD 458 million to be procured within opaque processes, resulting in unfair procurement competition and lack of transparency and accessibility. Moreover, 45% of procurement in Georgia consists of the so-called “opaque” procurement processes (Razo 2013).

The literature revealed that e-procurement is an effective tool to combat corruption. The capabilities of e-procurement to combat corruption are key instruments that can be used to detect the risks of corruption in procurement procedures (Aduwo, Ibem, Afolabi, Oluwumi, Tunji-Olayeni, Ayo-Vaughan, Uwakonye, and Oni 2020:60). An analysis of the abovementioned case studies on e-procurement revealed that the operationalisation of effective e-procurement requires more than just a “good system” but also adequate investments in the relevant infrastructures and resources. A risk management strategy as well as adequate monitoring and evaluation frameworks are imperative in order to analyse and report on any loopholes of e-procurement. Moreover, adequate mechanisms should also be established to manage and act upon the detected risks.

From the abovementioned country experiences on e-procurement, it can be argued that governments have implemented e-procurement primarily to address the weaknesses of paper-based procurement by improving public procurement transparency and accessibility and to eliminate corruption. The role of transparency in public procurement is to promote accountability and competition. Transparency can be enhanced through improved accessibility to public procurement and related information and holding public procurement stakeholders accountable for their decisions and actions (OECD 2016:7). This initiative will enable stakeholders to act ethically in accordance with the principles of procurement and related legislative frameworks and to be cautious of their decisions and actions.

Transparency in e-procurement can further be enhanced through stakeholder engagement and participation during the planning and implementation stages. Stakeholder participation is a vital tool to manage resistance to change and show stakeholders that their opinions matter (Fourie and Malan 2020:23). Stakeholder engagement and participation in countries such as Georgia was aimed at promoting e-procurement support and participation while reducing resistance to change. This initiative can further be enhanced through comprehensive communication campaigns that can be facilitated through various platforms such as educational programmes, social media platforms and collaborations with different private sector businesses (World Bank 2020:36). Although these initiatives may be costly, they have long-term benefits.

In countries such as Italy and Georgia, stakeholder engagement and participation were further enhanced through a provision of training and development on e-procurement. An investment in adequate training and development should be the focus of governments when implementing change. According to Rodriguez and Walters (2017:206) training and development is the foundation of any institution's competitive advantage. Training and development are long-term investments that can be used to foster thinking capacities and creativity of people for better dynamics, client support, complaints management and general self-adequacy worker

preparation, and improvement ought to be used to upgrade administrative and functional abilities (Rodriguez and Walters 2017:207). Training and development can be facilitated through a set-up of training centres and provision of system manuals to train stakeholders on the functionalities of the e-procurement system. The major shortfall of this initiative is that those that are already technologically advanced may see this as an opportunity to manipulate or advance the system for their own private benefit. For instance, officials may run private training and development classes at a fee and IT experts may see system loopholes that can be manipulated (cyberattack).

One of the key lessons learnt is the issue of technological advancements. Adequate technological infrastructures are a critical tool in the successful implementation of e-procurement. Technological infrastructure, within the e-procurement context refers to ICT and related programs that enable data coding and sharing and creation of networks (Chi6n and Charles 2019:1446). In Korea, one of the benefits of investing in the advancement of technological infrastructure is not only evident in the implementation of the e-procurement system that covers the entire procurement process, but also through the development of a system that can automatically detect any suspicious behaviour in e-procurement. Furthermore, within two years of implementing e-procurement, 62.7% of their procurement activities were conducted digitally. The introduction of a biometric security system, Fingerprint Recognition e-Bidding, is another indication of the results of advanced technological infrastructures (OECD 2016:22). These initiatives are an indication that the Korean government is committed to the e-procurement initiative, and this is possible through investment in adequate technological infrastructure.

In countries such as Malaysia, large amounts of money were used to develop and advance existing infrastructures to enhance the operationalisation of e-procurement. In Malaysia, the country's commitment in advancing technological infrastructure is evident in the government's collaboration with private telecommunication service provider, Telkom, to enhance the high-speed broadband network (Kaliannan *et al.* 2009:108). This initiative can be seen as an effective way not only of providing internet connection but to stimulate the country's economic development.

The e-procurement should cover the entire procurement process in order to effectively use the system as a tool to combat corruption. The system should further be managed, monitored and evaluated to assess its performance and determine whether it achieves what it intends to do. It is therefore imperative to have a regulatory body that oversees and monitors the system. In Italy CONSP was introduced to oversee public procurement procedures (Magrini 2006). The existence of such institutions can assist in ensuring that procurement activities are conducted in accordance with the principles of procurement and relevant legislative frameworks.

Despite the anti-corruption capabilities of e-procurement as an instrument to combat corruption (Aduwo *et al.* 2020:60), some country experiences revealed the opposite. E-procurement is implemented to address the weaknesses of paper-based procurement which include among others the lack of transparency and competition. In Malaysia for instance, tenders that are worth more than USD458 million are conducted manually (Razo 2013). This can be seen as a loophole for corruption because officials may award such tenders without following the proper procurement procedures. Procurement officials may deliberately play around with numbers to increase the value of tenders to more than USD458 million and award these tenders to their friends and relatives. Therefore, it is imperative to ensure that e-procurement systems do not only cover the entire public procurement processes but cover the entire procurement activities as well.

Various governments across the world are increasingly transitioning to the digitalised procurement processes. The potential of e-procurement as a tool to combat corruption is gradually being recognised. This transaction requires full stakeholder engagement and participation and large amounts of investment in technological infrastructure and human resource capital. Many countries that successfully implemented e-procurement have also faced challenges such as inadequate technological infrastructure, resistance to change and lack of skills and capacity on e-procurement. Governments should have clear strategies, policies and regulations in place to manage and overcome obstacles that can lead to e-procurement failure.

## **CONCLUSION AND RECOMMENDATIONS**

In conclusion, it can be established that the introduction of e-procurement can be seen as a disruptive innovation that requires adequate planning and management. In order to effectively operationalise e-procurement, governments must ensure that the challenges of using e-procurement are fully addressed prior to and during the implementation process of the system. The ability to plan and manage e-procurement can assist governments to detect barriers and threats to the system while capitalising on the benefits of the system. The international lessons of experiences as well as the literature review have indicated that e-procurement can be used as an effective tool to combat corruption. The primary objective of implementing e-procurement is to address the weaknesses of paper-based procurement by improving transparency, accessibility, competition and eliminating corruption. Although there are some setbacks such as lack of adequate technological infrastructure, lack of adequate power supply and lack of e-procurement skills and capacity, it is of great importance that governments draw up strategies to overcome these challenges.

In view of the abovementioned, the study therefore provides the following suggestions.

- Introduce an e-procurement system that covers the entire procurement process electronically. This initiative can be enhanced through stakeholder involvement and investment in technological infrastructure and human resources.
- It should be mandatory for both suppliers and public institutions to be registered with e-procurement models.
- All public sector tenders should be publicised on an e-Tender Publication Portal regardless of the value of the tender, for inclusivity and competitiveness purposes.
- The CSD should incorporate all relevant functionalities, especially those that are crucial during the tender evaluation process such as BBBEE status.
- A thorough field analysis study should be conducted which comprises of the insights of all e-procurement stakeholders such as system administrators, procurement managers and suppliers. The insight information of these e-procurement stakeholder should be based on the use of e-procurement during the procurement process as well as other supporting factors such as the user-friendliness of the system and system accessibility.

## NOTE

- \* This article is partly based on the master's dissertation of Matjatji Molepo titled: *E-procurement as a monitoring to combat corruption in South Africa*, completed in 2021 under the supervision of Prof Mohammed, I. Jahed at the University of Johannesburg.

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