

South African cities tackle new challenges

Urban centres, the economy's powerhouses, could take on more powers



Street vendors, once banned under apartheid, sell maize in front of the largest corporate headquarters in Johannesburg, South Africa.

BY ANNETTE CHRISTMAS

LOCAL GOVERNMENTS IN SOUTH AFRICA FACE IMMENSE challenges to meet the needs for housing, transport, clean water and electricity of rapidly growing populations. These problems appear even larger when compared to the successes of the national government since the end of apartheid. Since 1994, while creating a multi-racial democracy, South Africa has succeeded in improving the standard of living, doubling exports and creating a robust economy.

To measure local successes – and failures – the Minister for Provincial and Local Government, Sydney Mufamadi, launched a national review of provincial and local government. The minister has called on everyone to participate, from civil servants to the private sector, higher education institutions and, most importantly, ordinary South African citizens.

When South Africa launched its successful bid to host the 2010 FIFA Soccer World Cup, the bid's detractors cited the difficulty that local governments would face in trying to meet this challenge. Yet municipalities have demonstrated creativity and resolve in their preparations for 2010. On the coast of the Indian Ocean, the Municipality of eThekweni – formerly Durban – was

lauded for its innovations. The municipality used its newly developed port infrastructure and soccer stadiums to develop impoverished areas surrounding these existing facilities, even creating new transport hubs to service them. Mayor Obed Mlaba stated that the municipality viewed the 2010 World Cup as an opportunity not only to grow the local economy but “to transform the city into an effective service-delivery mechanism.”

The landscape of local government

Local government in South Africa is made up of 283 municipalities, which range in population, size and resources from severely under-resourced rural municipalities to first-class metropolitan giants called “metros.” The constitution recognizes two types of local government. First are the metros, which have exclusive municipal authority in their jurisdiction. Second are local governments outside of the metros, made up of district municipalities that include smaller local municipalities. In this second category, district and local municipalities share powers and functions in a two-tier level of local governance.

The six metros in South Africa are home to one-third of its population. The smallest, Nelson Mandela Bay, has 1.1 million residents, while the City of Johannesburg is home to 3.2 million. The metros, which produce 59 per cent of the GDP, are South Africa's economic powerhouses.

Nonetheless, South Africa remains one of the most unequal societies in the world when measured by the gap between rich

Annette Christmas is a researcher with the Local Government Project of the Community Law Centre, at the University of the Western Cape, in Cape Town.

and poor. With rapid urbanization in the metros and cities, unprecedented wealth coexists alongside abject poverty. The metros have a difficult task. They must balance their constitutional mandate of basic service delivery and improving the lives of citizens, with the more immediately realizable incentives that come from encouraging investment and economic development. Johannesburg was recently ordered to reach a settlement agreement with poor inner-city dwellers whom they had evicted as part of a regeneration project to attract investors.

Constitutional guarantees

The autonomy of local municipalities, as part of their own order of government, is entrenched in the constitution. Prior to 1994, local governments were creatures of the national and provincial governments. Their powers, functions and resources entrenched the apartheid governance model of poor or non-existent service delivery in non-white areas. Since 1996, local government has a much broader goal of promoting social and economic development, creating safe and healthy environments and involving communities in local government, thus deepening democracy.

To fulfil this mandate, the constitution grants local government a list of powers and functions. To match these powers, it has the right to raise its own revenues through property taxes and surcharges on service charges for the delivery of water, sanitation and electricity. These account for 83 per cent of local government revenue, with the balance made up of transfer payments from the national government. At first glance, these taxing powers seem to confer a generous revenue base on municipalities. However, there is a vast difference between the revenue of cities and urban centres, which have stable and substantial homes, offices and businesses, and the revenue of smaller municipalities where there is not much to tax.

District municipalities were originally created to integrate and co-ordinate local municipal services within single areas. The plan was to use economies of scale at the district level, so that the district municipality would act as the supplier of bulk services. The districts were also given the task of supplying and assisting impoverished municipalities. However, practice has revealed that they play a very different role from the original plan. District municipalities are, more often than not, direct-service providers to local communities, creating uncertainty about the functions and powers of the local municipalities. This

results in duplication of administrative and political centres and creates potential for conflict. In July 2006, tax levies on businesses were abolished, ending an important source of revenue and severely diminishing the capacity of districts to redistribute services to local communities.

All of these factors have raised the question of whether there is a need for the two-tier system of local government outside the metros. Local municipalities with strong emerging urban centres, such as Bloemfontein, do not benefit from the hierarchical parameters of the district system of government. It has been suggested that local municipalities with strong urban centres be given metropolitan status, while the two-tier system of district and local government should be collapsed into one system.

Stumbling blocks

In the past 18 months, various parts of South Africa have been affected by a growing number of community protests. Most of the protests have been over the lack of service delivery by municipalities. Reports in the media have highlighted communities' concern about the slow or non-existent delivery of housing and basic services.

Part of the problem is the lack of a clear and simple delineation of powers and functions between local and provincial governments. The constitution provides that where a national or provincial function can be more effectively

administered by local government, that function must be assigned to municipalities, provided that they have the capacity to fulfil it. While water, electricity and sanitation are firmly in municipal hands, housing remains a provincial function. The mayor of Cape Town, Helen Zille, cited "red tape delays with the municipality's own projects, especially when it comes to housing" as a key impediment to delivery. The Western Cape Province has not granted the metro's application to take on housing, prompting the metro to declare an intergovernmental dispute with the province. Even the smallest metro, Nelson Mandela Bay, has categorically stated that it is "more than capable and is in fact already fulfilling this function." Despite this, housing remains a provincial function, and local government often has to bear the brunt of community dissatisfaction with failure to deliver.

Another critical obstacle facing local government is a lack of capacity and the skills to deliver services to its citizens. In the restructuring of local municipalities in 2000, much of the institutional memory of local government was lost when older civil



Striking construction workers in Cape Town demonstrate outside the site of the city's 2010 Soccer World Cup stadium in September 2007.

REUTERS/MIKE HUTCHINGS

SOUTH AFRICA [FROM PAGE 18]

servants were let go. A major concern is that appointment of municipal staff is often made on the basis of political patronage and not skills and expertise. However, through Project Consolidate, the central government has begun to deploy skilled workers to particularly weak municipalities to assist in capacity building. There are still concerns that this initiative is not enough and that scarce skills may have to be imported from overseas.

Looking forward

Despite these many challenges, there are municipalities that have found new and innovative ways to balance development with service delivery. The Nelson Mandela Bay metro has embarked on an extensive program to find efficient alternate energy sources to reduce emissions and attract investment to the city. In tandem with the renewable energy projects directed at industrial centres, the metro has established pilot projects to supply solar-heated water to low-income areas. Installation and maintenance costs are minimal. While still in the prelimi-

nary stages, these projects could bring hot water to many low-income homes. The director of electricity and energy for the city, George Ferreira, said that without the “buy-in of the political leadership of the municipality, this project, which explores uncharted terrain, would not have seen the light of day”.

Creating integrated sustainable cities in which the marginalized in South African society would share the benefits of development in local government is an immense project. The metros – the success stories of local government in South Africa – could easily be the drivers of development, with limited provincial and national government interference. Many South Africans are asking that wherever local government capacity is lacking it should be developed as a priority.

The review process on government raises critical questions as to whether the current configuration of provincial and local government has improved the delivery of basic social services and deepened democracy in South Africa. The answers to these questions could fundamentally change local government and improve the lives of all South African citizens. 