

The Challenge of Delivering Sustainable and Equitable Municipal Services in Post-Apartheid South Africa

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Abstract After the fall of apartheid, Nelson Mandela's government adopted a decentralized development strategy to address the enormous service delivery challenges faced by his government. Many of the key developmental challenges that faced South Africa, such as the housing backlog in the rapidly expanding townships, were relinquished to the newly created municipal sphere of government which has been facing an increasing level of municipal service delivery protest. This article explores the challenges face by South Africa's municipalities as they seek to meet their constitutional mandates through the provision of sustainable and equitable municipal services.

Key words South Africa, Decentralization, Municipal government, Service delivery protest

The transition of the South African government from an autocratic apartheid state to a democratic developmental state officially started with the election of Nelson Mandela in 1994. The campaign slogan "a better life for all" articulated the post-apartheid government's mandate, which was to address the extreme inequality developed over centuries of racially discriminatory public policies. By the time Mandela was elected, the economic sanctions from the global community against the apartheid government had severely crippled the South African economy, and it was clear that if Mandela was going to effectively deliver on his campaign slogan, it would be necessary to overcome the immense levels of inequality and service delivery challenges that locked the black masses of this country into poverty. Mandela would eventually adopt a neo-liberal socio-economic development strategy as a means to deliver on his electoral mandate; however, 21 years after the fall of apartheid, South Africa still faces considerable service delivery challenges, especially with regards to addressing the challenges associated with informal settlements, which has primarily been placed into the hands of a newly created municipal sphere of government.

Patrick Bond (2008) argues that the challenges we see at the municipal level derive from the national government's shifting of its original service delivery mandate to the newly created municipal level of government. This level of government has far less financial and technical resources than the national government, and, ultimately, equates to a municipal tier of government that is bogged down with unfunded mandates that can never be fulfilled (Bond, 2008). This paper is guided by Bond's (2008) assertion, and takes a deeper look into the operations of municipal government at the local level within South Africa, and proposes a prescription for how the national government can move forward to effectively address the massive informal settlement service delivery challenges that exist within South Africa.

This paper argues that although there were strong and compelling reasons for Mandela's ANC government to adopt a decentralized system of governance as a means to address the massive service delivery challenges they faced when they came to power in 1994, the performance of this highly fragmented system over the last 20 years raises serious questions about the sustainability of this highly decentralized structure of municipal service delivery, especially when taking into account the phenomenon of the service delivery protest. De Visser and Powell (2014) indicate that between 2007 and 2014 there were approximately 1,195 service delivery protests that have occurred throughout South Africa, with over half (52 percent) of protestor grievances directly related to municipal services or issue of municipal governance (De Visser & Powell, 2014). Although there is not a general consensus on what these protest mean for the future of South Africa, these protests strongly indicate

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that the current mechanisms of service delivery are unsustainable do to their lack of equity and fairness in the delivery of municipal services. The service delivery mandates provided to municipal government, especially with regards to housing, water, sanitation and electricity to informal settlements are considerably strained under the current model of service delivery because responsibility is too decentralized and underfunded, which has left this newly created sphere of municipal government without the resources nor the capabilities to sustainably address South Africa's service delivery challenges.

1 Decentralization as a neo-liberal development strategy

Decentralization is an integral component of New Public Management (NPM), which is a market-led ideological approach to the field of public administration that was adopted in a wide variety of forms in Western capitalist countries throughout the 1980s and 1990s. NPM was subsequently imposed upon many transitional and developing economies through structural adjustment programs in exchange for assistance through international agencies such as the World Bank, International Monetary Fund, World Trade Organization, Asian Development Bank, African Development Bank, International Development Bank and the United Nations Development Bank (Haque, 2004). The reasons behind the adoption and rapid expansion of the NPM framework include the economic stagnation faced by democracies in the 1970s and 1980s which was associated with overregulation by government, the erosion of trust in government in many democratic nations, and the end of the Cold War, which led to a global push to reshape the formal and informal connections between government and society (Frederickson & Smith, 2003; Kettle, 2000). The methods utilized to incorporate market principles of into the delivery of public services are through the privatization, deregulation, liberalization and contracting out of public services as a means to stimulate competition between service providers, which in theory should increase efficiency and reduce the cost of public service provision (Kettle, 2000). However, in practice, the success of NPM has been mixed, especially in developing countries where the cost of ineffective polices are high, and the ability of these countries to self-determine their model of economic and social development is limited.

In 1994, Nelson Mandela ran on the campaign platform of "a better life for all," which articulated the new democratic government's mandate, which was to address the extreme inequality developed over centuries of racially discriminatory practices. By the time Mandela was elected, the economic sanctions imposed by the global community on the apartheid government had severely crippled the South African economy. It was clear that if Mandela was going to effectively deliver on his campaign slogan, it would be necessary to overcome the massive levels of inequality and service delivery challenges which locked the black masses of this country into poverty. While developing an economic development strategy that could support the financing of the monumental service delivery challenges, Mandela chose to adopt the neo-liberal NPM model of economic development and administration, which, in theory, should have accelerated economic growth and social development. However, South Africa continues to face socio-economic and service delivery challenges that are placing considerable strain upon this nation's governing structures, and these challenges are most evident at the municipal level.

The 1998 White Paper on Local Government articulates how the municipal level of government in post-apartheid South Africa shall operate, describes how services will be provided and what mechanism municipalities can utilize provide those services. The White Paper is ambitious in articulating the developmental agenda for municipal government, yet it clearly articulates an understanding of the lack of administrative and financial capacity at the municipal level to deliver on this ambitious agenda. It also provides guidance on how municipalities can utilize NPM approaches to service delivery to achieve their developmental objectives, such as corporatization, public-private partnerships, contracting out, leases and concessions and privatization as a means to address service delivery challenges (Republic of South Africa, 1998a). However, within the decentralized market driven structure of municipal operations, the social justice ethos of "a better life for all" have been replaced by the market ethos of a better life for those who can pay. In South Africa, the official unemployment rate is 25% with a poverty rate of 45% (Census South Africa, 2014). With such high

levels of poverty and inequality, coupled with a market based service delivery strategy, the values of social justice versus cost recovery come into conflict every day, and tend to be the spark which has fueled the sustained service delivery protest throughout South Africa.

In order to understand Mandela's adoption of the neo-liberal NPM development strategy as a way to address the massive service delivery challenges that faced the South African government after the 1994 election, we must first understand the global political and economic context of this time. Between 1965 and 1985, the gross domestic product (GDP) of the 29 largest economies within Sub-Saharan Africa increased by less than 1% per year on average, while in many of these countries the GDP per capita was less than it was 20 years prior, which was at the dawn of African independence (World Bank, 1994, p. 17). However, the countries of Southeast Asia presented a sharp contrast to the slow post-colonial growth of Africa, and demonstrated growth rates that were more in line with what South Africa required to address its service delivery challenges. According to the World Bank, in 1965 Indonesia's GDP per capita was lower than Nigeria's, and Thailand's lower than Ghana's. Indonesia relied on oil as much as Nigeria, in addition to Thailand being a poor agricultural country similar to Ghana. However, by 1990 Indonesia's economy grew to three times the size of Nigeria's, and Thailand would develop into one of the world's best performing economies, while Ghana would be struggling to regain its former income level (World Bank, 1994, p. 17). Throughout the 1990's the differences in economic outcomes between Sub-Saharan African and Southeast Asian nations was primarily attributed to macro-economic development strategies, with Sub-Saharan African countries utilizing various forms of import-substitution industrialization, while Southeast Asian countries were utilizing export orientated development models to achieve growth (World Bank, 1994).

The global economic context of the 1990's strongly indicated that if the ANC government adopted neo-liberal economic policies similar to their Southeast Asian counterparts, they would be more able to deliver on their electoral mandate. While during this same time period the World Bank and the International Monetary Fund (IMF) strongly advocated for the adoption of structural adjustment policies, which primarily consist of some form of the following policy prescriptions: 1) Avoiding overvalued exchange rates by keeping inflation and public budget deficits low; 2) Minimizing agricultural taxes to stimulate agricultural expansion; 3) Focusing on the development of an export oriented economy; 4) Reducing tariffs to minimize import barriers; 5) The selling off and privatization of public enterprises; and, 6) The reduction of public debt (World Bank, 1994). The primary mechanism utilized by international development organizations to influence countries to adopt structural adjustments is through development aid, in the form of loan stipulations, which is also the mechanism that was utilized to influence South Africa's development strategy.

This influence started prior to South Africa's first democratic election in 1994, with the interim multi-party government's application to the International Monetary Fund (IMF) for a \$850 million dollar loan, following (African National Congress) ANC officials' visit to IMF headquarters in Washington one year before (Martin, 2013, p. 163). It was reported that the terms of the loan included commitments to remove import surcharges, control wages and constrain government debt...in addition to a commitment to repay \$20 billion dollars in debt owed by the apartheid government (Martin, 2013, p. 163). The initial meetings between the interim government and subsequently Mandela's ANC, clearly indicate that Mandela was eager to accept financial assistance from the international community in order to address the massive economic and service delivery challenges facing South Africa. Conversely, it is also clear that in exchange for immediate financial support during this critical juncture in South Africa's transition, the IMF sought to have a major impact upon the economic policies and administrative structure of the post-apartheid government, which set the stage for the adoption of neo-liberal economic policies in the 1996 Constitution, which included the decentralization of the delivery of municipal services.

2 Envisioning the municipal sphere of government

In order to have a full perspective of the challenges facing municipal government in South Africa today, we must first look at the unequal provision of municipal services during the apartheid era, which gave rise to movements such as the Soweto Rent Boycott, which, in many ways, influenced the

vision for what municipal government in post-apartheid South Africa would become. The Soweto Rent Boycott lasted approximately two years, and because of high levels of political violence associated with the boycott, left more than 2,200 people dead in South Africa's largest black township, which had a population of approximately 2.2 million inhabitants (Kraft, 1988, July 03). These boycotts served as a catalyst for the focus of mass action against the system of urban local government during apartheid, which gave rise to the slogan 'one city, one tax base,' which referenced to the practice of the apartheid government collecting taxes from both black and white areas, and providing as minimal of services as possible to designated black areas while providing first-world high quality municipal services to the areas designated as white (Van Donk & Pieterse, 2006).

During this boycott the residents of Soweto made five demands in which the apartheid era government was ultimately forced to concede in 1989, and eventually shaped the parameters in which municipal government was envisioned in post-apartheid South Africa. These demands were: 1) A write off of all utility arrears; 2) The transfer of informal houses to residents; 3) The upgrading of municipal services provided to residents; 4) the provision of affordable municipal services; 5) A single tax base across the city of Johannesburg; and, 6) The establishment of a non-racial and democratic municipality (van Donk & Pieterse, 2006). These five demands reflected the sentiments shared by the residents of Soweto and the millions of Africans who lived in the townships that surrounded all metropolitan areas throughout South Africa.

In 1994, the Congress of South African Trade Unions (COSATU) argued that "a process of redistribution must be carried out by ... increasing the production and provision of the basic necessities of electricity, water, transportation, housing, education, health and welfare, food, clothing and recreational facilities ... The state must ensure these basic services are retained in public hands and any such services that have been privatized should be re-nationalized" (Pape & McDonald, 2002). This statement by COSATU captures the spirit of the ANC and its political alliance when envisioning how the municipal sphere of government could play a redistributive role in South Africa, which guided the immense responsibilities provided to the new sphere of municipal government, whose primary mandate has been to provide water, sanitation, electricity and housing to the millions who live in the townships, while at the same time, maintaining and redeveloping the previously designated white areas of the municipalities. As a response to the demands for a pro-active municipal level of government, the 1996 Constitution includes a Bill of Rights that makes access to basic services such as housing, water and sanitation a fundamental human right (Republic of South Africa, 1996).

3 The NPM approach to municipal service delivery in South Africa

There are 284 municipal governments throughout South Africa that provide the water, sanitation, refuse removal, roads, storm water drainage, land-use, electricity, economic development and transportation services to the residents within their jurisdictions. Municipal government is the level of government which is closest to the people, and impacts many aspect of life for each resident within the jurisdiction, from the ability to take a shower, turn on the lights or get to work. In South Africa, almost all of the services provided by municipalities are financed through taxes, fees and utility charges, which accounts for 91.9% of total municipal revenues between July 2013 and July 2015 (Republic of South Africa Treasury, 2014). The fact that the municipal level of government provides such a wide array of vital services, yet raises such a high percentage of its operating revenues from within its jurisdictions limits the municipality's ability to effectively solve the massive service delivery backlogs. Within the decentralized NPM framework, municipal managers find themselves debating the choice of heavily taxing the previously designated white areas of the municipality in order to provide the necessary infrastructure to the predominately black townships, or to continue investing most of the city's resources into the previously designated white areas because these investments bring in the greatest return in tax revenues. The decentralized system makes this a purely rational economic decision, not a decision based upon social equity, which is why investment into the townships is often limited, or the residents are required to pay in large part the full cost of the provision of newly developed municipal services.

In South Africa, municipalities are also fully engaged in the contracting out of core services such

as water, and although in the short-term the contracting out of this vital service finances key infrastructural projects, in the long-run there have been many disastrous consequences because of the need to recoup the full cost of the provision of this service, in addition to cutting residents off from this vital service if they are not able to pay the utility bill. The largest privatization of water contract was provided by the Nelspruit Municipality in 1999. This was a 30 year contract for the provision of water services to many of the townships within the municipality that were never provided water during apartheid. The contract called for a private firm, the Greater Nelspruit Concession Company, to take over, manage, maintain, build, rehabilitate, and, after 30 years, transfer back to the municipality all of Nelspruit's water and sanitation assets (Freire & Peterson, 2004, p. 321). Through this contract, thousands of households have been provided with access to water and sanitation, and over 1,200 temporary jobs have been created (McDonald, 2004, p. 135); however, this project has been plagued by considerable criticism and the challenges have been well documented (Smith, 2003), which has primarily been driven by the necessity of the service provider to collect the full cost of the provision of water from the impoverished residents of this municipality. These residents often do not have stable employment and regularly have their water and other utilities cut off, which frequently serves as a catalyst for service delivery protest.

Once a municipal service has been privately financed or contracted out, the democratic oversight of a municipal service may become compromised since cost recovery can take precedence over the *public good*, which, ultimately provides the justification required for private entities to disconnect public services to households without the same regard for the overall health, safety and general welfare of the community. The greatest ethical challenge is that at some point public agencies become contractually obligated to place the interest of profits over the poor masses, which is troubling because this is who these organizations were also originally intended to serve. This tension is clearly highlighted by the tragic outbreak of cholera that was caused as a result of the implementation of a cost-recovery program on a community's only clean water source.

Between August 2000 and 2001, there was a cholera outbreak in the KwaZulu-Natal Province which infected 128,468 people, and caused 395 deaths (Hemson and Dube, 2004, p. 1), all of whom were black South Africans. Investigators found that the conversion of a water source from public to private through the instillation of a pre-paid meter "was the equivalent of a water cut-off... which increased the vulnerability of these communities to water borne diseases such as cholera, because the residents were forced to resort to using unpurified water sources such as polluted streams" (Hemson & Dube, 2004, p. 1). This tragedy goes to the heart of the dangers of contracting out vital public services which are provided to protect the health, safety and general welfare of the community, because in order for a private agency to operate, it must place the needs of the investors before the public good at some point, which is ultimately the ethos of rational-choice, which guides the NPM philosophy of public management.

In 2011, 45% of South Africa's population lived below the poverty line, which is the equivalent to a daily income of \$3.00 USD (R207) for an individual (Republic of South Africa, 2014). Since the end of apartheid, income inequality has actually increased within South Africa, with the Gini coefficient at 0.59 in 1993 and increasing to 0.65 in 2011, which reflects a consumption pattern in which the top 10% in South Africa consume 51.7% of this nation's wealth, while the lowest 10% consume 1.2% of South Africa's wealth (CIA, 2015). When a nation faces such high rates of poverty like we see in South Africa, and the extreme inequality which exist in this country, one has to question why the cost of the provision of basic services such as water, which is considered a human right in the 1996 South African Constitution, has been shifted to be borne by the most vulnerable within South African society? Bond (2008) addresses the challenges associated with municipal privatization and argues that the underlying pressures to decentralize and privatize state water services is rooted in capital's drive to commodity. This has been made possible by the national governments ability to shift their original service delivery mandate from higher to lower levels of government, who have far less financial and technical resources than the national government, and ultimately equates to a municipal tier of government that is bogged down with unfunded mandates that can never be fulfilled (Bond, 2008).

At the time of South Africa's first democratic elections in 1994, it was estimated by the National

Housing Forum (1992-94) that the housing backlog throughout South Africa was about 1.5 million homes, which lead to ambitious slogans by the National Housing Authority of “1 million homes per year.” Since 1994, the South African government has developed approximately 3 million homes; however, in 2013, it was estimated that the housing backlog remains at 2 million homes throughout South Africa, and it would cost between R45.5 billion (\$4.5 billion) and R142 billion (\$14.2 billion) to finance the development of these homes (Finance and Fiscal Commission, 2013). South Africa’s Gross Domestic Product (GDP) in 2014 was \$341.2 billion USD (CIA, 2015), so it is not inconceivable that if the national government set the eradication of the housing backlog as a national priority, then it is within the means of this nation to address this challenge.

To the credit of South Africa’s post-apartheid government, lots of progress has been made in the delivery of housing and basic municipal services; however, there are about 17.7 million people that live in South Africa’s five largest cities, and based upon the best estimates available, at least 4 million people (23%) still remain trapped in the impoverished townships which surround South Africa’s cities (Cooperative Governance and Traditional Affairs, 2009). In the wealthy districts of South African municipalities, which during apartheid were designated for whites, the residents have no problem obtaining access to municipal services, such as electricity, water, sanitation, refuse removal, education and access to a healthy consumer goods market. The municipal services necessary to support this first-world level of social and economic development were heavily subsidized by the apartheid government, and it is only since the fall of apartheid that residents, especially the poor who live in the townships and rural areas, are required to pay the full cost of the delivery of municipal services.

The apartheid government found it necessary to heavily subsidize the delivery of municipal services to the designated white areas to solidify support for the government’s policies, and to industry to keep the economy moving forward. During the 1970s and 1980s, the designated white suburbs and the industrial sector received per capita infrastructure investments that were on par with, or even higher than, most European and North American countries (Ahmad, 1995). In the black townships, and the semi-states (Bantustans) created by the apartheid state for the African tribes, the subsidization of municipal services came in the form of infrastructure developments and public housing in the 1960s and 1970s, in addition to the indirect subsidization extracted from the apartheid government through payment boycotts during the 1980s and early 1990s, the apartheid government did not cut municipal services to the townships and Bantustans for non-payment because they feared the political fallout, which resulted in de facto subsidization of township services (McDonald, 2002). As McDonald (2002) systematically argues, “in contrast to the neo-liberal view of cost recovery and privatization that dominates official service delivery discourse in South Africa today, the apartheid state saw its role as one of providing and subsidizing the delivery of essential municipal services (albeit in a racially skewed manner)” (McDonald, 2002)

4 Service delivery protest and challenges facing municipalities

Since 2008, there has been a sustained and increasingly violent level of protest specifically targeted at the poor level of municipal services provided by municipalities throughout South Africa. It has been estimated in that since 2008, at least 2 million people have come out every year to protest the poor delivery of public services by South Africa’s post-apartheid government (Plaut & Holden, 2013). From 2007 to 2012, there have been approximately 930 protests related to the delivery of poor public services, with an average of 27 per month taking place during the year of 2012 (De Visser & Powell, 2012). The South African Parliament’s *Report on the Service Delivery Protest in South Africa* (2009) articulates that the primary causes of these protests derive from the poor delivery of municipal water, sanitation, electricity, refuse removal and housing services, and that the lack of leadership and corruption in municipal government are the driving forces behind these protests (South Africa Parliament, 2009). The sheer volume, consistency, and, in many cases, violence associated with the protest, make it impossible for policy makers to ignore the signs that something is seriously wrong with the means in which municipal services are delivered in post-apartheid South Africa.

The underlying cause of the service delivery protest has been blamed on the mismanagement and corruption within the municipal sector of government, and, as a response, legislation has recently been

passed to professionalize the sector as a means to improve municipal service delivery. However, very little has been done to address the challenges in which decentralization and the need for municipalities to self-finance their operations has upon those municipal governments. More specifically, the competition created by decentralization limits the amount of utilities that can be provided to poor households, and in locations where utility infrastructure has been developed, the need to recoup the full cost of providing these vital services has led to the continual increase in cutting these services off to poor households.

In order to provide more insight into what is transpiring within municipal operations, we can turn to evaluations that have been carried out by Dr. Humphrey Glass from the Human Services Research Council (HSRC). Dr. Glass has carried out a series of evaluations of municipal operations in conjunction with the South African Local Government Association (SALGA), and from these evaluations one can obtain a greater understanding of the challenges facing local government within South Africa. One of the evaluations that was carried out was on the Buffalo City Municipality, and describes the inherent challenges faced by newly created municipal governments in South Africa that do not have the administrative capacities necessary to effectively meet their constitutional mandates, and the corruption that results when the municipality attempts to contract-out the services in which the municipality does not have the administrative capacity or the finances to provide. Another evaluation that was carried out was on the EThekweni (Durban) Municipality, and demonstrates how even if the municipality has the administrative capacity to effectively deliver the services necessary to meet their constitutional mandates, the methods in which municipal operations are financed make it virtually impossible for municipalities to meet the complete needs of the citizens in which they serve. Both of these cases highlight the inherent flaws within the decentralized NPM system of municipal governance, especially within the context of high poverty and extreme inequality.

The Buffalo City Municipality is located in the Eastern Cape, and has a population of approximately 755,000 residents. This municipality is an amalgamation of East London, King Williams's Town and the apartheid era township which supplied cheap labor to these industrial cities; Mdantsane. In Dr. Glass' evaluation of municipal operations in 2010, a description is provided about how the municipality was brought to its knees because of the conflict between the elected politicians and the senior administrative managers. In essence, the municipality was paralyzed by politics because the politicians were treating the municipality as their own fiefdoms, and because of that, every area of service delivery such as housing, roads, water, sanitation and electricity suffered (Glass, 2010a). It is expected that disagreements related to policy will arise within any democratic system; however, the challenges faced by Buffalo City were about more than the making of public policy, and were related to the profits that can be derived from the contracts provided by the municipality. The adoption of a NPM approach to management within a municipality with such high levels of poverty and inequality not only forces municipalities to recoup the full cost of service provision on to the most vulnerable in society, but also serves as a magnet for corruption.

Dr. Glass' evaluation specifically noted that the failings of the municipality to effectively deliver vital services included the hiring of unqualified contractors, municipal staff signing off for completed jobs when the jobs were incomplete, or the work was poorly constructed (Glass, 2010a). Dr. Glass also pointed out that the degree to which poor administrative management, coupled with the hiring of unqualified contractors due to political interference, was so egregious that court cases have been filed (Glass, 2010a), and, as recently as 2014, the Mayor of Buffalo City and two of his associates were arrested for corruption related to the construction of the Nelson Mandela memorial (Hoffmann, 2014). In addition, during the 2009/2010 fiscal year, prior to the employment of another municipal manager that was brought in to turn around the organization, only 18% of the organization's budget was being utilized, and the un-utilized funds were just rolled over into the next fiscal year (Glass, 2010a), while the challenges of accessing basic services such as housing, water, sanitation, refuse removal and unemployment within the community continued to grow, most notably within the townships.

The case of Buffalo City highlights the challenge of developing new administrative systems that are driven within the NPM framework, because contracting out inevitably reduces administrator responsibility, from the actual carrying-out or monitoring of the work, which takes highly trained

administrators to manage. The fact that in one year Buffalo City only spent 18% of their allocated budget raises serious questions about the municipalities overall administrative capabilities, which raises more questions about this organizations ability to effectively and ethically carry out its constitutional mandate. The lack of administrative capacity, coupled with political interference in the municipal procurement process, creates a situation which makes it impossible for effective service delivery, especially for the services provided to the most vulnerable residents. In cases in which utilities such as water and electricity are installed within the townships, on many occasions these investments are accompanied by cost recovery measures, which can easily make these services unaffordable to large segments of the South African population.

During the Progressive Era (1880-1920), the United States was forced to address the challenge of municipal corruption because it hampered the ability of municipalities to manage the rapid urbanization occurring during this time, and the story of Boss Tweed and the New York City Courthouse provides a good example of how municipal corruption related to the contracting process can work. The historic New York City Courthouse took 20 years to build, initially started with a cost of \$250,000, but ended up costing \$13 million, which, at the time, was twice the cost of the Alaska Purchase (Barry, 2009). As party boss, Tweed controlled all major political appointments, such as the county comptroller and auditor, who were legally obligated to provide oversight over all municipal expenditures, but were faithful and loyal to Boss Tweed and the political machine.

The way in which the contracting scheme worked was that for every job completed on the courthouse, the city was billed at a much higher rate than what the specific job actually cost; for lumber worth \$48,000, the city paid \$460,000; for 3 tables and 40 chairs the city paid \$180,000, and for a three year plastering job on an iron and marble building, the city paid \$2.8 million dollars (Barry, 2009). The contractors would submit inflated receipts to the comptroller's office, and the comptroller would pay the contractor a percentage of the submitted receipts while channeling the rest of the funds to Boss Tweed and his political loyalist, who ultimately lined their pockets with approximately 65% of all of the courthouse payments (Barry, 2009). In Dr. Glass' evaluation of the Buffalo City Municipality in 2010, it articulates that the hiring of unqualified contractors and the signing off for completed jobs when the jobs were actually not completed, or the work was poorly constructed, was a major challenge in the municipality (Glass, 2010a). Dr. Glass' findings, coupled with the arrest of the Buffalo City Mayor and her associates in 2014 (Essop, 2014), raises serious questions about this organizations ability to effectively carry out their constitutional mandate and effectively deliver the services necessary to the most vulnerable citizens within their jurisdiction.

This correlation between the challenges associated with boss politics in the United States and the current challenges associated with the political interference of the day-to-day management of South Africa's municipalities has been drawn to highlight the mechanisms politicians use to enrich themselves at the expense of the public. In the United States, there was a major movement that was developed to professionalize local government and to remove party bosses from the day-to-day interference in municipal management, and there is also movement to professionalize local government within South Africa (De Lange, 2010). However, the development of municipal services within the United States was heavily subsidized by the federal government up until the Regan Administration of the 1980s, but South Africa's municipalities are required to address a service delivery backlog, which is financed in a manner that makes it extremely difficult to finance the service delivery challenges facing South Africa's municipalities.

The EThekweni Municipality has much greater administrative capacity than Buffalo City and delivers approximately 16,000 houses per year, which is one of the most successful housing delivery programs in the South Africa. In 2001, the housing backlog in EThekweni was 320,000 housing units, with a total of 150,000 housing units being developed between 2001 and 2010; however, because of migrants to the city, the housing backlog remains at 230,000 (Glass, 2010b). The City Manager estimated that "it will take between 20 and 60 years beyond the target date to clean out the (housing) backlogs" as the metro lacks "capital budgets." EThekweni Metro needs a massive injection of funding to meet its service delivery mandates, and it would take "an additional R30billion" to complete the housing backlog by 2014 (Glass, 2010b). In addition, only 30% of the city's residents pay for the

majority of services that are being provided by the EThekweni municipality.

The dilemma faced by the EThekweni municipality takes us back to the major challenges that all of South Africa's municipalities face. In order for municipalities to meet their obligations to deliver the services required to meet their constitutional mandate, these structures of government need the necessary resources to do so. Since over 90% of the typical South African municipality's budget is self-generated through taxes, fees and utilities, they are forced to recover the full cost of providing vital municipal services, such as water, electricity and refuse removal to the most vulnerable in society. However, with such a high rate of poverty and unemployment, it is not uncommon that poor residents cannot afford to pay for vital services that are necessary for the overall health, safety and general welfare of the community, which is the core function of the municipality to begin with. In addition, when municipalities contract-out key services, and those private service providers then see to implement rate collection strategies in order to re-pay for the capital that they have invested, the results can be disastrous like the cholera outbreak that happened in KwaZulu Natal due to cost-recovery efforts, which ultimately lead to the death of 395 people.

5 A centralized and concerted effort at the national level is necessary

Patrick Bond (2008) articulates that the privatization of municipal services, especially related to water, is part of a global push for capital's drive to commodify, and is facilitated through the expansion of the NPM approach to municipal service delivery. Nelson Mandela was successful in re-incorporating South Africa into the global economy, which required him to adopt a neo-liberal approach to economic and social development, which translated into a decentralized system of local government that utilizes a NPM approach to service delivery. Bond (2008) argues that instead of the national government utilizing all of the resources available to address the enormous service delivery challenges the post-apartheid government faced in 1994, Mandela's government shifted this mandate to the newly created municipal level of government which has far less financial and technical resources, and, ultimately, equates to a municipal tier of government that is bogged down with unfunded mandates that can never be fulfilled (Bond, 2008).

The service delivery protest that occur on a daily basis in South Africa are a direct result of the poor and disenfranchised masses discontent with the failures of municipal service delivery. In the current environment, the NPM approach to the delivery of vital municipal services in South Africa must be questioned in relation to the equitability of these policies in a nation with a 25% rate of unemployment and a 45% rate of poverty. The original intent of municipal government in post-apartheid South Africa was to serve as a redistributive mechanism to address the physical manifestation of apartheid that is ever present throughout South Africa; however, the current dispensation of municipal service delivery is inadvertently replicating the apartheid policies of the past. The challenges facing municipal government are heightened when taking into account the political and administrative challenges facing municipalities such as Buffalo City, or the service delivery backlogs facing municipalities such as EThekweni, so one must question the ability of the current system of municipal government's ability to effectively address South Africa's service delivery challenges.

In order to alter the trajectory of municipal government performance within South Africa, and to effectively address the service delivery crisis that is facing this country, there needs to be a serious discussion about altering the means in which the delivery and financing of vital public services are provided to the poor in South Africa. Under the current dispensation, it will take generations to address the challenges of inequality inherited from apartheid. If South Africa's post-apartheid government is sincere about addressing the root cause of the service delivery protest, and formally addressing the housing crisis within the foreseeable future, then the national government will need to revisit how the formal delivery of public housing and the accompanying infrastructure is provided within South Africa in order for the government to effectively deliver on Mandela's original campaign slogan of 'a better life for all.

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