Public Service Delivery in South Africa:
Suggestions for research agenda

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Rogier van den Brink

Country Economist, the World Bank

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Outline

- **South Africa: strengths and challenges**
  - Example from education
  - What could be the problem?

- **Conceptual framework:**
  - Relationships of accountability between citizens/clients; politicians/policymakers; and service providers
  - Batho Pele principles

- **Suggestions for research**
  - The "long route of accountability"
  - The "short route of accountability"
  - Decentralization
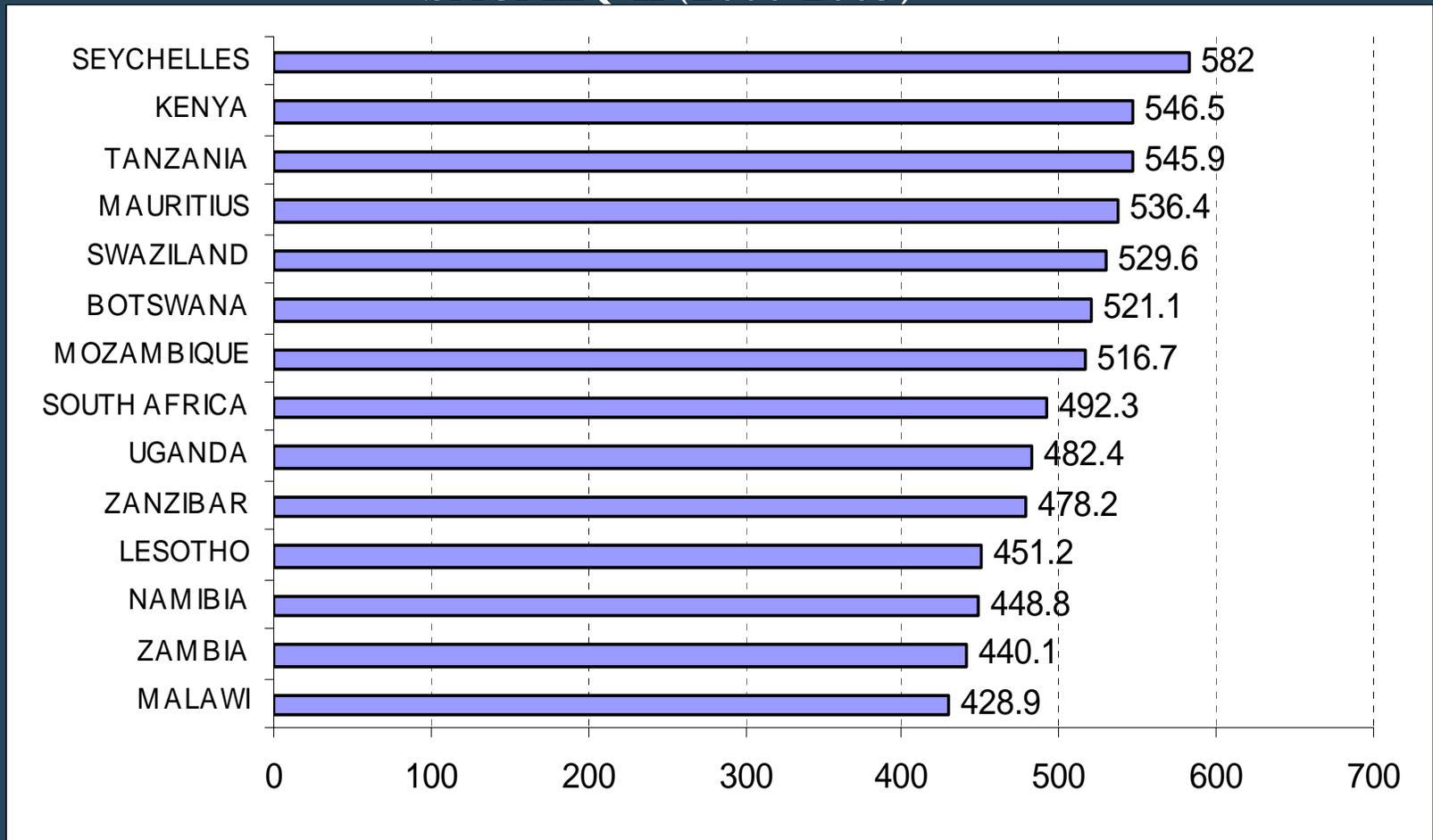
- **Conclusions**

Strengths and challenges

- **Excellent constitution with rights to basic services**
- **Well-functioning democracy**
- **Reasonable economic growth**
- **Fiscal space to increase pro-poor spending on social grants, health, education, housing, etc.**
- **Results-based MTEF**
- **Sound decentralization framework**
  - with an advanced inter-governmental fiscal framework, which allocates funds both on the basis of population and poverty
  - Plus conditional grants
  - And sub-national borrowing
- **But pace and quality of service delivery to the poor needs to improve**

Example: education
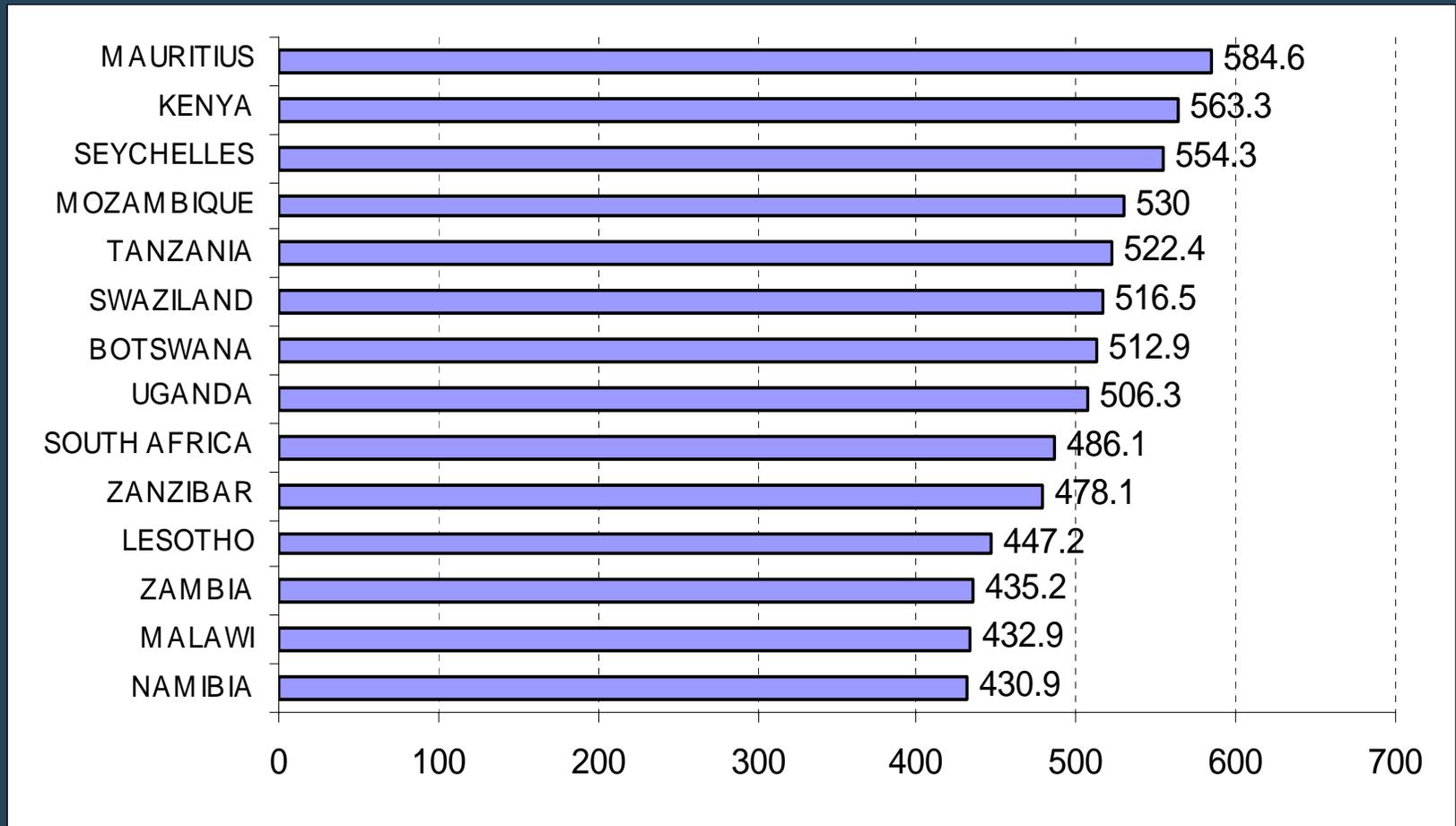## South Africa's *reading* scores only average by African standards
SACMEQ II (2000-2003)

Country	Score
SEYCHELLES	582
KENYA	546.5
TANZANIA	545.9
MAURITIUS	536.4
SWAZILAND	529.6
BOTSWANA	521.1
MOZAMBIQUE	516.7
SOUTH AFRICA	492.3
UGANDA	482.4
ZANZIBAR	478.2
LESOTHO	451.2
NAMIBIA	448.8
ZAMBIA	440.1
MALAWI	428.9

Example: education
South Africa's *mathematics* scores **below** average by African standards
SACMEQ II (2000-2003)

| Country	Score
MAURITIUS	584.6
KENYA	563.3
SEYCHELLES	554.3
MOZAMBIQUE	530
TANZANIA	522.4
SWAZILAND	516.5
BOTSWANA	512.9
UGANDA	506.3
SOUTH AFRICA	486.1
ZANZIBAR	478.1
LESOTHO	447.2
ZAMBIA	435.2
MALAWI	432.9
NAMIBIA	430.9

What could be the problem?

- **The consensus in the country is that there exists a "lack of capacity"**

- **Or is it a more fundamental institutional issue problem?**

- **"Institution" defined as "the rules of the service delivery game":**
  - relationships of accountability between three sets of actors: clients, policymakers/politicians and service providers

- **Consensus among researchers:**
  - These three relationships need to work well if pro-poor service delivery is to be achieved
  - Actors need to be accountable to each other
  - See World Development Report of 2003

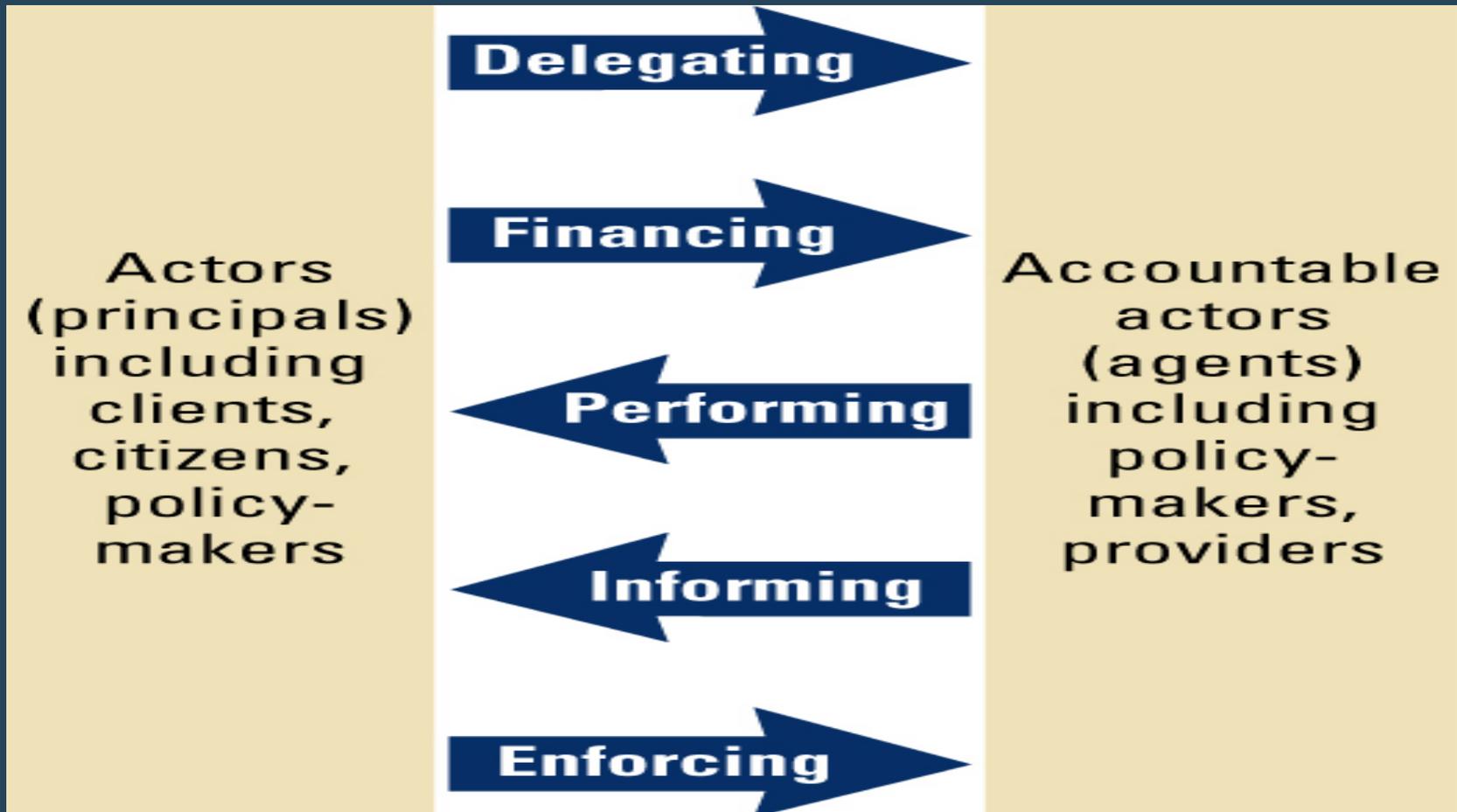# Conceptual framework

Institutions of service delivery:
Short and long routes
of accountability and the three relationships
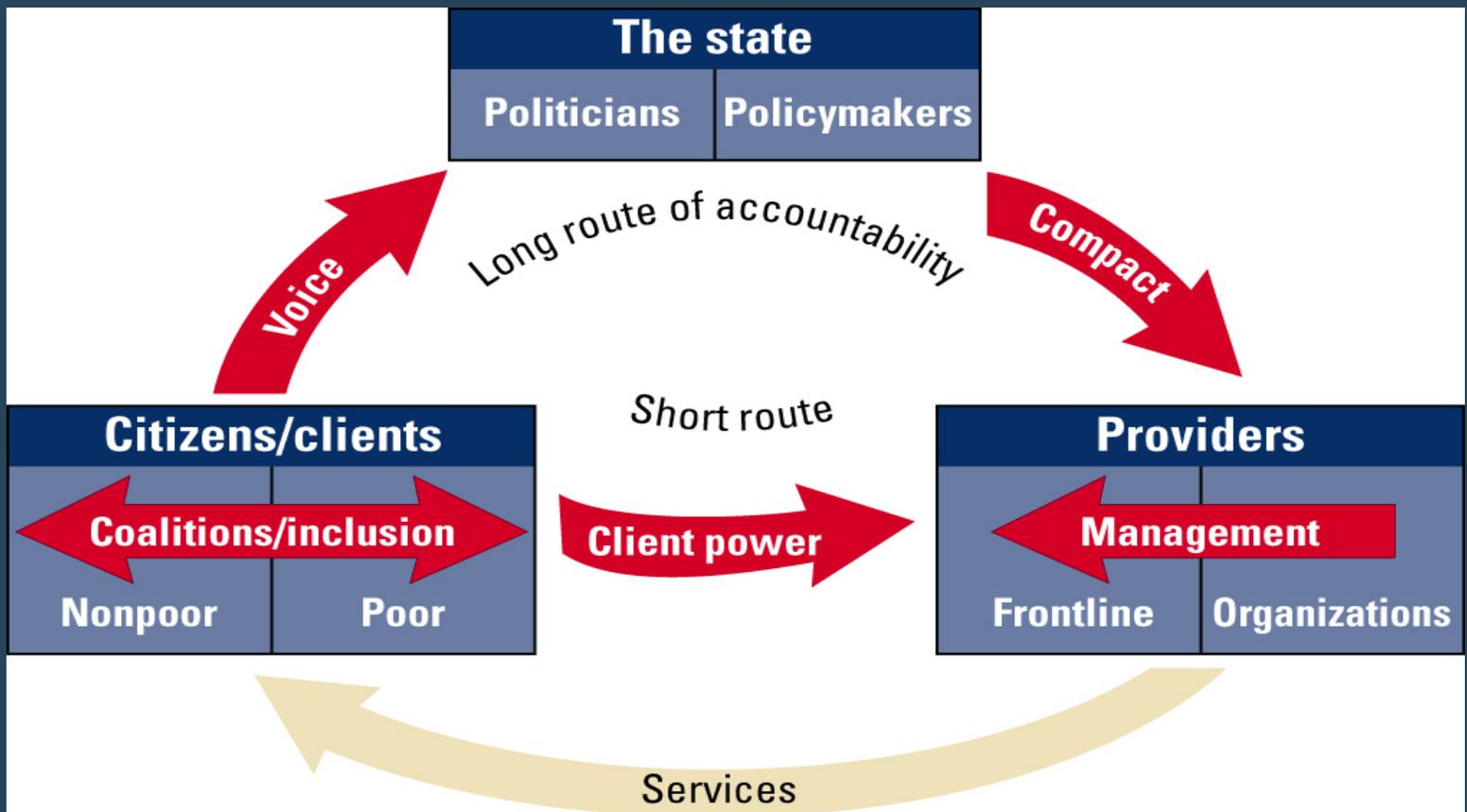
# Relationship of accountability: five dimensions

Batho Pele principles

- **Consultation and choice**
  - users of services should be consulted in a number of ways and be provided real choice
- **Service standards**
  - benchmark the extent to which citizens are satisfied
- **Access to information and services to rectify inequalities**
  - empowers citizens and creates value for money, quality services.
- **Ensuring courtesy**
  - public service is committed to continuous, honest and transparent communication with the citizens.
- **Providing information**
  - Available information about services should be at the point of delivery
- **Openness and transparency**
  - public should know more about government institutions (resources, who is in charge, etc.)
  - citizens can make suggestions for improvements, and
  - "even" hold government employees accountable
- **Redress**
  - identify quickly when services are falling below the promised standard and remedy
- **Value for money**
  - Many improvements: no additional resources and can sometimes even reduce costs.

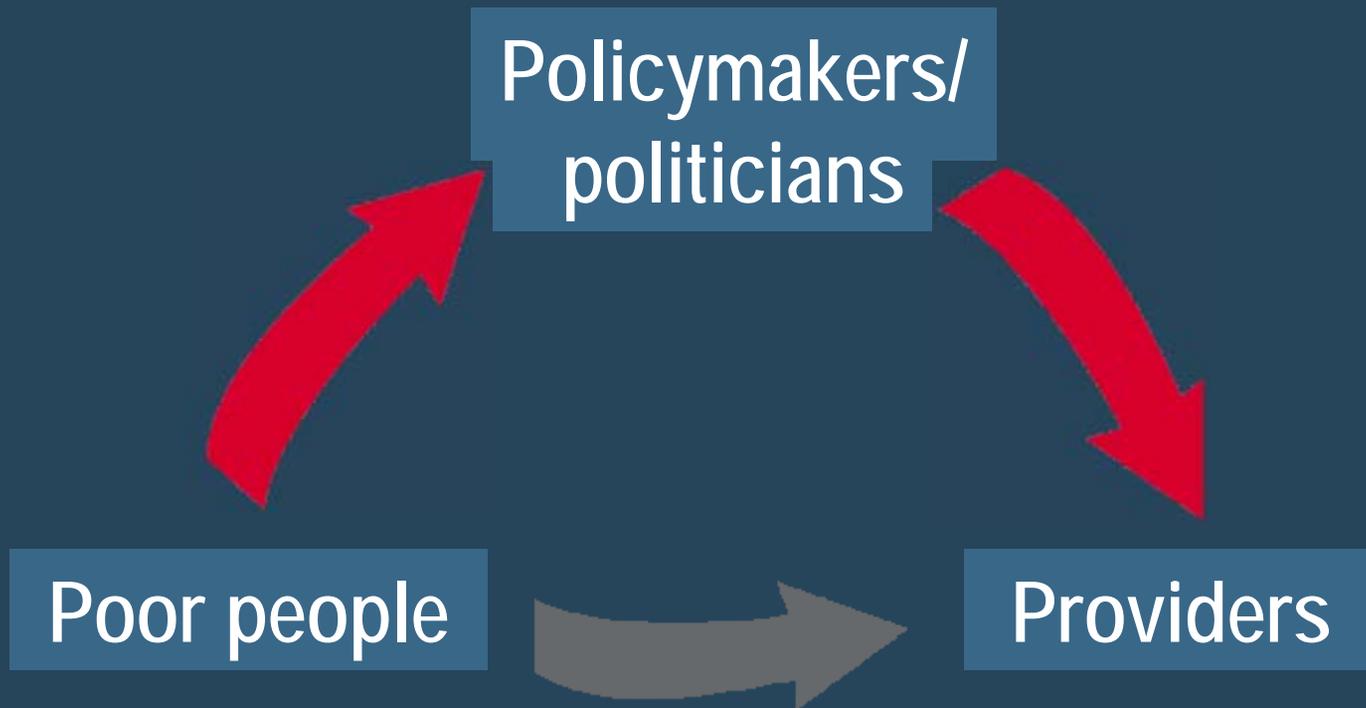# Schools in Uganda received more of what they were due
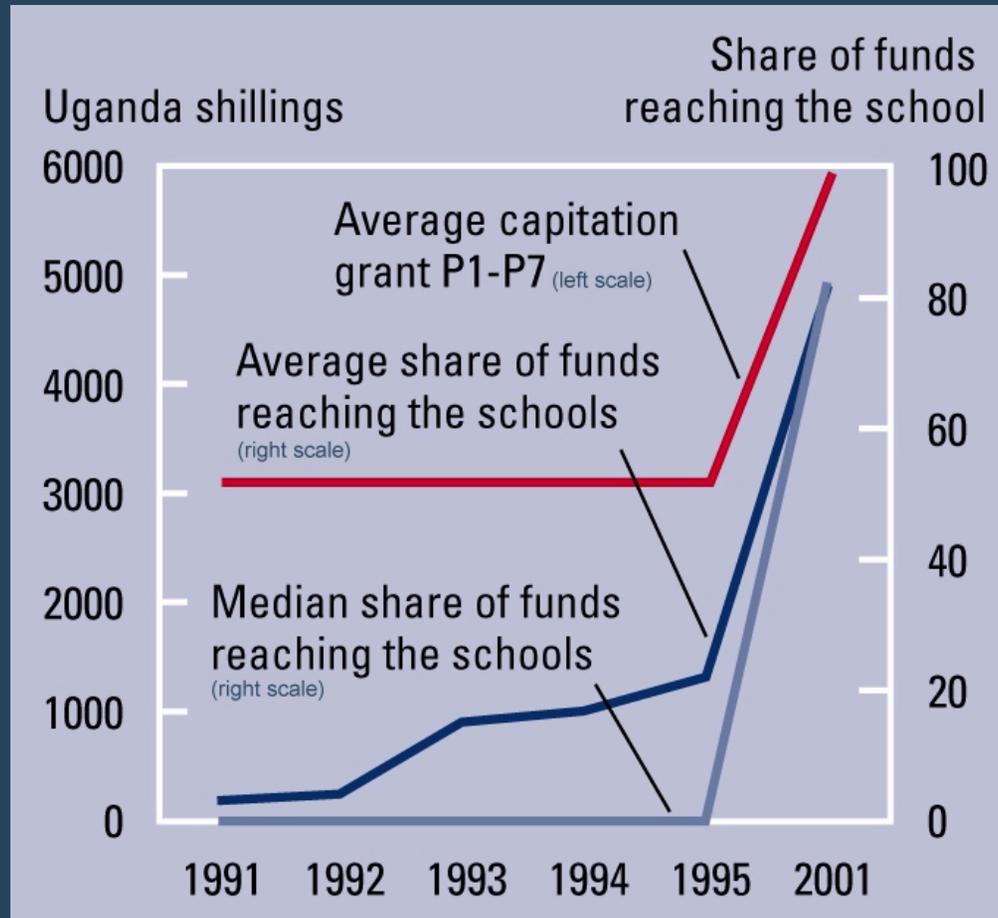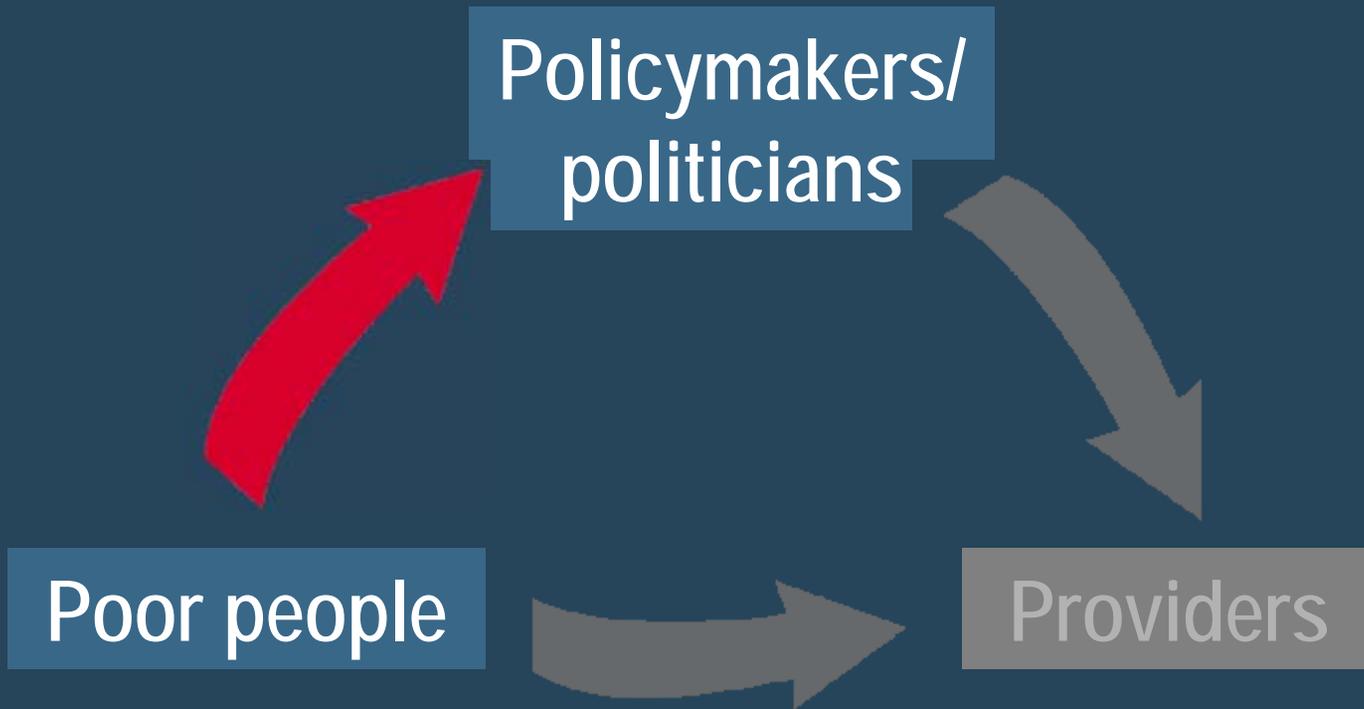
Suggestions for research

Long route of accountability

Policymakers/
politicians

Poor people

Providers

Long route, leg 1

Key questions

- **Where are information dissemination and transparency about service delivery and finance used?**

- **Where are poor people heard and have influence on policy makers?**

- **Where do policy makers care about the poor and insist on good delivery?**

Elections and "voice"

- **South Africa—a parliamentary democracy with a free press**

- **Nevertheless, politicians might not feel very strongly accountable to the voters**

- **Because elections are periodic events and relatively rare**

- **Hence additional "voice" mechanisms are needed**

- **Public Service Commission:**

  - **"…citizen engagement can sometimes be a challenge in new democracies, where the process of democratic decision-making (decision-making by elected representatives) may be incorrectly regarded as a substitute for citizen participation. The latter remains crucial even if there are legitimate and democratically elected representatives in place." (Public Service Commission, 2007, p.36).**

Improving citizens' voice vis-à-vis policymakers

- **Other mechanisms for citizens to hold policy makers accountable:**

  – **public disclosure, citizens-based budget analysis, service benchmarking, program impact assessments and strengthening the media**

- **Hypothesis:**

  – **intended beneficiaries of key public service programs have imperfect information about them which:**

    - **restricts their ability to access them; and**

    - **produces an inefficient policy feedback loop.**

Long route, leg 2:
Compacts and contracts

Policymakers

Poor people
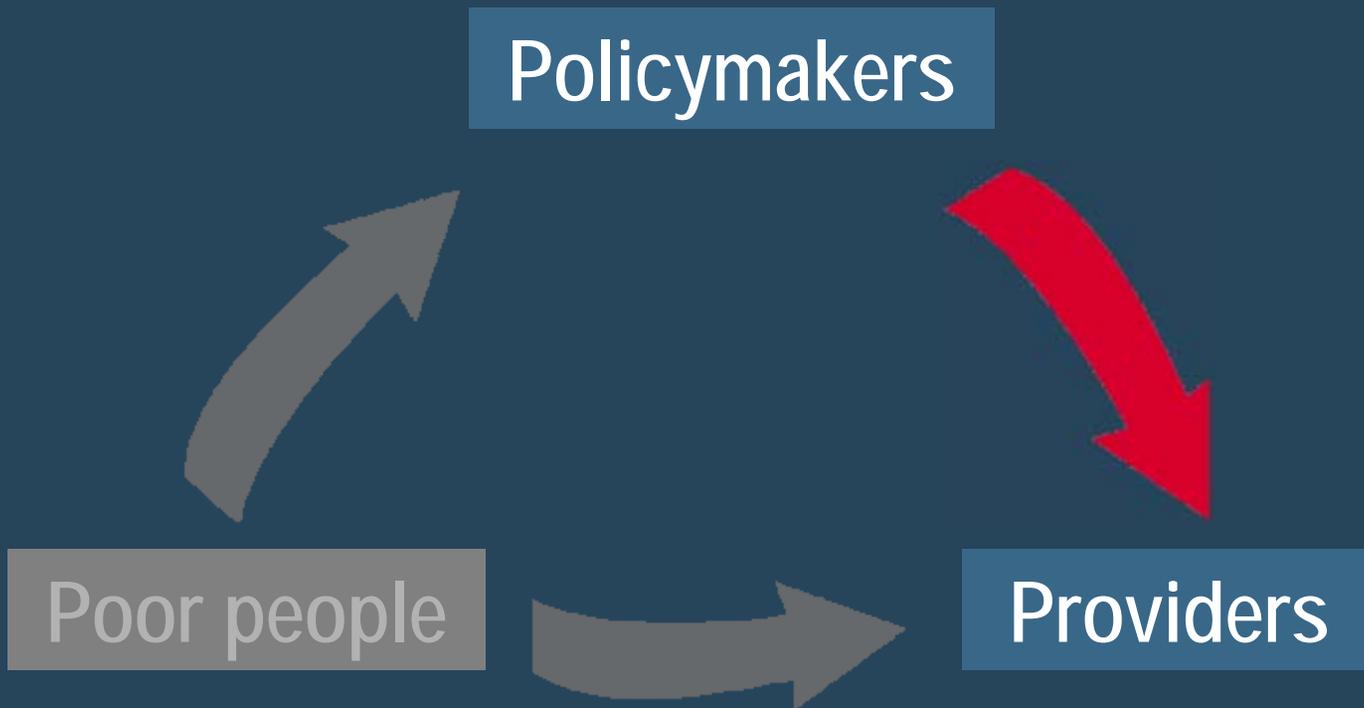
Providers

Long route, leg 2:
Compacts and contracts — *continued*

- **Does the provider have the incentives to provide the service? Is his pay unaffected by whether or not services are provided?**

  – **Absenteeism rates in schools and clinics is an example of this**

  – **Absenteeism of teachers and nurses is also found to be a problem in South Africa (from focus group studies)**

- **Compacts and contracts between policy makers and service providers can strengthen these incentives**

Contracts

- **Provider's pay depend on the service delivery—a contract**

- **South Africa service contracts: toll roads, garbage collection, airports.**

- **Johannesburg, iGoli 2002.**

    - service companies (providers) were created (water and sanitation, electricity, waste management, parks and cemeteries, roads and storm water, zoo, civic theater) with J'burg council as the sole shareholders.

- **Contracts are very specific, but reduce flexibility**

- **Good info needed for optimal contract design and enforcement**

- **Contracting works best for services which are:**

    - easy to monitor; and

    - non-discretionary:

        - they do not require additional, context-dependent decision-making by the service provider

- **They do not work very well if these conditions are not met…**

- **Review of contracting in SA?**

Compacts

- **Very well developed in South Africa**

- **White Paper on the Transformation of the Public Service (1997):**
  - vision of an accountable public service.

- **Public Financial Management Act (1999):**
  - strong principles and obliges public service providers to account for public expenditures based on the outcomes of the services provided.

- **Independent international comparisons, such as the Open Budget Initiative conducted by the International Budget Project:**
  - rate South Africa's national budget transparency among the best in the world .

South Africa's Medium Term Expenditure Framework:

- considered international best practice

- with inputs and outputs being measured as part of elaborate strategic frameworks with performance indicators

- all senior managers in line departments are required by law to enter into performance agreements with their principals

- Example from Tshwane:

  – We will "… install 8,200 meters of bulk water pipelines and 14,168 meters of internal sewer networks as well as 5,000 new meters to non-metered households in the City." (p. 6)

  – "The Roads and Stormwater Department will appoint 57 emerging contractors as part of the Expanded Public Works Programme which will create approximately 788 jobs." (p. 6)

Drawbacks…

- If <u>outcomes</u> are not available, excessive focus on <u>outputs</u>

- For example, in Land Affairs, senior officials have difficulties convincing some of their staff that "just delivering land" is not enough and that other services need to be put in place at the same time.

- Response is often: that's another department's problem, not ours

- So some officials feel that the outcome—a successful land reform project—is not their concern

- Their concern is to deliver land only

- But if they are only judged on how many hectares have been delivered and how much budget has been spent, this is quite rational behavior…
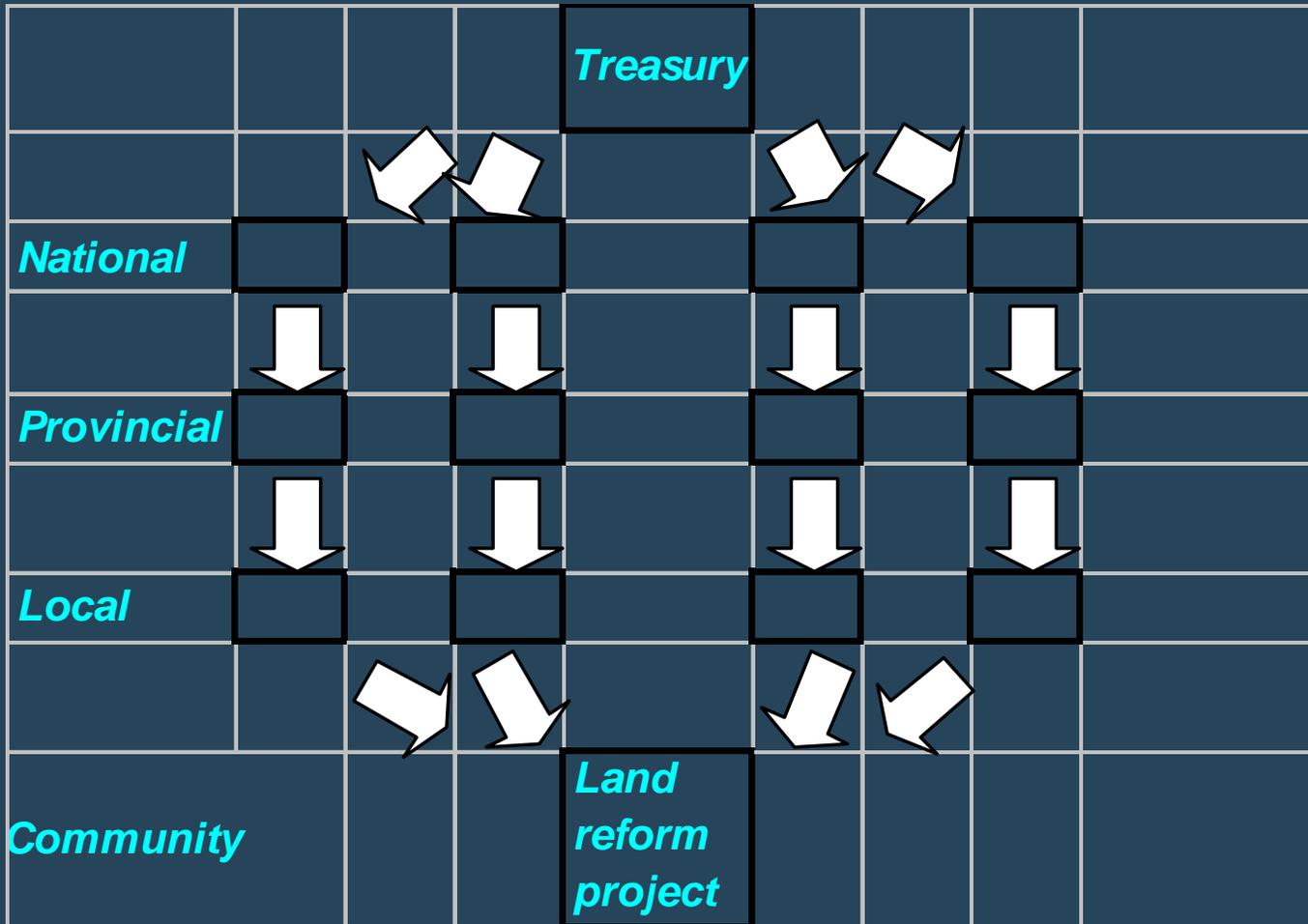
But land is only 30 percent of costs (on average) and every individual project is different
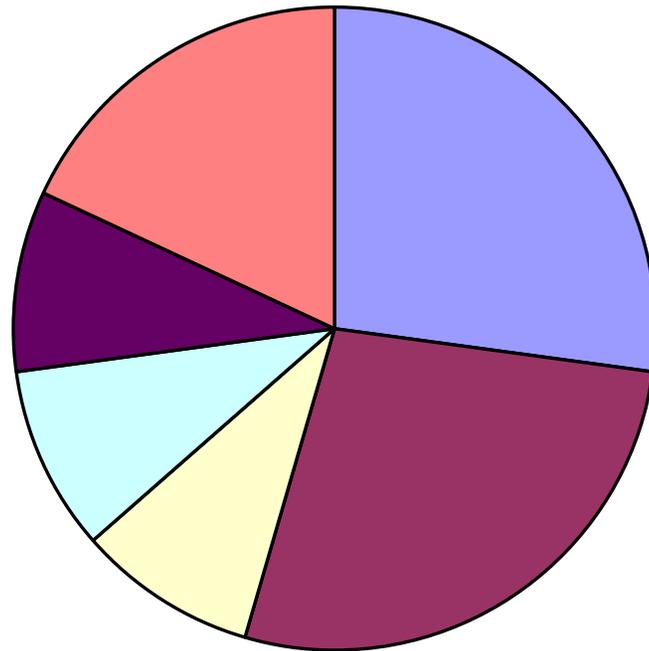
Legend:
- Land
- Other investments
- Inputs
- Resettlement
- Advice
- Overhead

Financing through "stovepipes" creates coordination problems

Treasury

National

Provincial

Local

Community

Land reform project

Compacts—*continued*

- **Compacts focus primarily on the accountability between policymakers and service providers, rather than on the relationship between service providers and clients**

- **Compacts can lead to too much focus on inputs and outputs at the expense of outcomes for services that:**

  - **are not that easy to monitor by the policymaker and**

  - **require discretionary decisions to be made,**

Short route:
choice, participation, monitoring, disciplining

Policymakers

Poor people → Providers
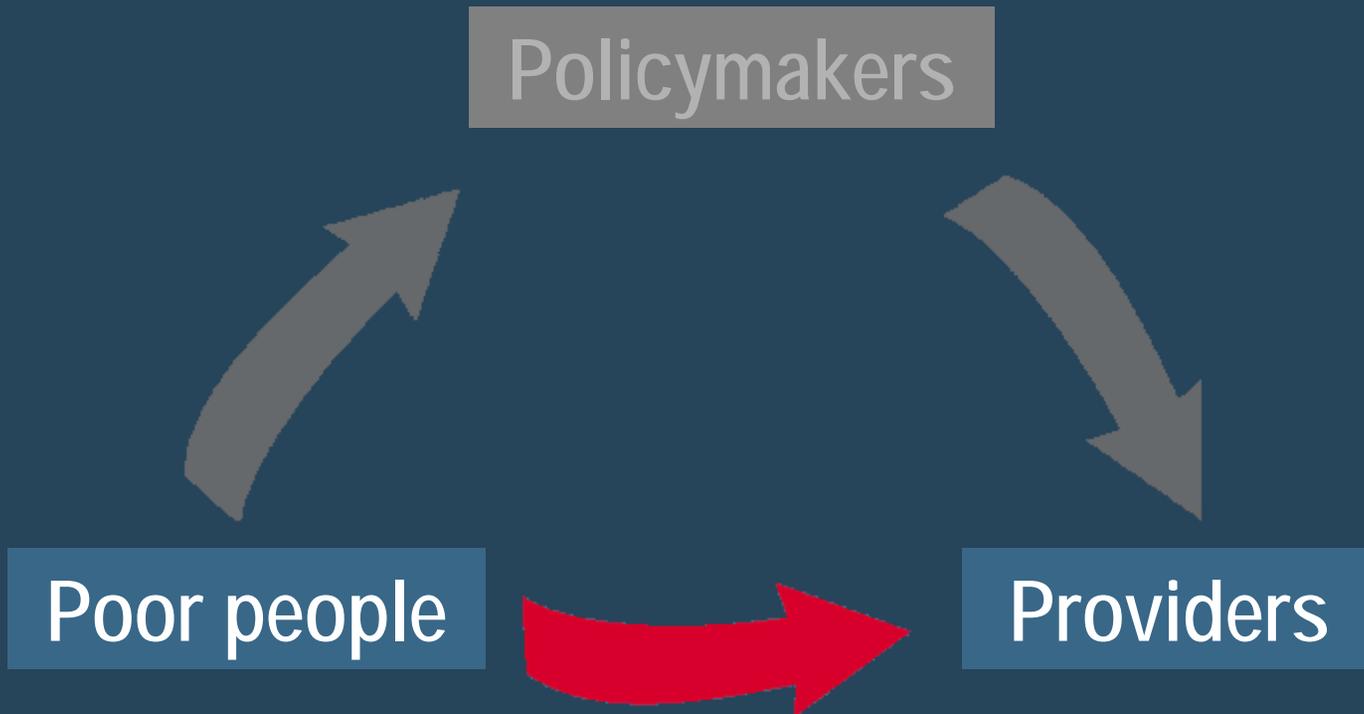
Short route:
choice, participation, monitoring, disciplining — *continued*

- **In market transactions, relationships of accountability are clear:**

  - delegate from client to service provider, finance, perform, inform, enforce (client withdraws if not satisfied)

- **But for non-market transactions: need to somehow increase the client's power over the provider**

  - Use user fees to create an incentive to monitor

  - Give client increased choice

  - Empower the client to participate, monitor, discipline

Short route—*continued*

- **When supervisors lack information, the clients might be in a better position to provide the information**

- **Short route works better, if:**
  - **Clients are heterogeneous**
  - **Monitoring difficult for central supervisors**

- **Short route can involve:**
  - **choice of service provider by the user**
  - **Participation (in all its aspects)**

Mechanisms

- **Citizen report cards**
- **Empowering communities**
- **Parents groups**
- **Payment or co-payment for service**
  - Competition among providers
- **Vouchers**
- **Information and transparency**
- **Constitutional guarantees, recourse to the law**

Citizen Report Cards

- **SA Public Service Commission:**
  - citizen satisfaction surveys since 2002:
    - three surveys of more than 15,000 citizens on 34 services and 10 departments.
  - low level of consultation with clients
  - increasing such consultations was the main policy recommendation
- **Citizens' Score Card study by HSCRC and World Bank in Tshwane:**
  - only 17 percent of all residents in the selected townships had heard of Integrated Development Plans

Citizen Report Cards: but do they work?

- **Björkman and Svensson (2007) in Uganda**
- **<u>impact evaluation of a citizen report cards project in primary health sector in rural areas</u>**
  - Used randomized field experiment approach, so methodology very strong
- **Citizen report cards improved:**
  - access to information
  - local organizational capacity to effectively use the information.
- **Impact: quality and quantity of health service provision improved.**
- **One year into the program:**
  - 16 percent increase in utilization;
  - significant weight-for-age z-scores gains for infants; and
  - markedly lower deaths among children under-five.

Empowering communities

- **Community Driven Development involves placing resources directly under the control of communities to execute their own projects**

- **SA Community-Driven Development study (David Everatt and Lulu Gwagwa):**

  - **underlines the remarkable dearth of CDD in South Africa**

- **Ethembalethu Case Study**

- **Khanya-aicdd "Participatory service delivery assessment"**

  - **All stakeholders (communities, service providers, and politicians) agree that there should be a better and more accountable relationship between clients and providers**

- **_Hypothesis_: the absence of client participation and monitoring results in poor service delivery in several key areas**

Would it work in South Africa?

- SA "hotlines" are successful:
  - National Anti-Corruption Hotline
  - Department of Social Development to report social grant fraud
  - South African Revenue Service
- Department of Home Affairs' SMS-based facility has overwhelming response:
  - Allows people to check on their ID and passport applications, and their marriage status
  - Extension to other services?
- And Community-Driven Development?
  - Try it

Decentralization
Strengthening long and short routes of accountability

National policymakers

Local policymakers

Poor people

Providers
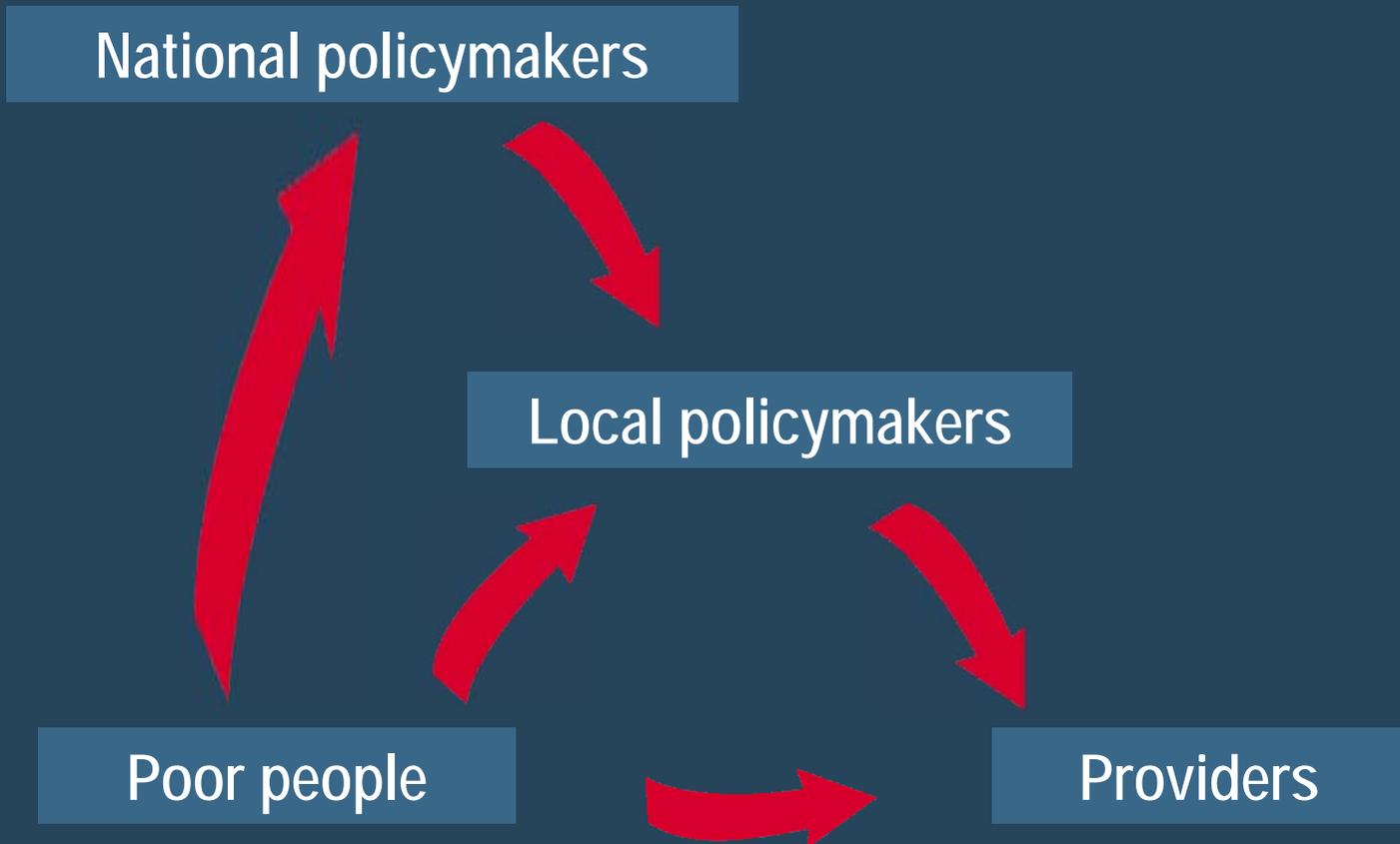
Strengthening accountability

- **Strong legal frameworks for decentralization exist:**
  - Public Finance Management Act
  - Municipal Systems Act
  - Intergovernmental Fiscal Relations Act
  - Municipal Finance Management Act)
- **But need better guidelines on how to implement them**
- **New legislation and polices after 19994 were super-imposed on a intricate system of apartheid laws, rules and regulations**
- **Result: combination of legal and administrative provisions that is very complex, very difficult to interpret and operationalize**
  - especially for the front-line service providers
- **See Ethembalethu case study—key reform area**

Defining roles and responsibilities in a decentralized system

- Decentralization to provinces has occurred in a number of areas, either mandated by the constitution or as part of a Ministerial delegation (e.g. Land Affairs).

- However, limited decentralization to municipalities has happened

- Even though the Constitution explicitly enshrines the principle of subsidiarity to guide decentralization.

- Hypothesis and reform agenda:

  - local government service delivery assignments are underdeveloped

  - some critical services which should and could be directly executed by local government following the principles of subsidiarity are not (e.g. housing, education, health).

Sector studies—research outline

- **Focus on the "black box" linking public spending to outcomes**

- **Benefit incidence:**
    - how much of sector spending is budgeted to go to the poor and the non-poor?

- **Public expenditure tracking:**
    - measure how much of the sector spending actually reaches front line providers and the poor
    - Where are the leakages along the way?

- **Performance assessment (against international benchmarks):**
    - Are frontline service providers actually present on the job?
    - And when they are, do they do a good job?

- **Accountability at the level of actual delivery of the service**

- **Decentralization and community empowerment**

- **M&E systems in place; where is impact evaluation needed?**

- **Conclusions: reform recommendations and agenda for future research.**

Conclusion

- **How well do the "Batho Pele" accountability relationships work?**

- **Research agenda:**
  - Focus on empirical outcomes, not only on inputs and outputs
  - Can use the framework of accountability among clients, politicians/state (various tiers), and providers (public, private, non-profit)

- **Policy reform agenda:**
  - What institutional conditions would support the emergence of capable, motivated frontline providers with clear objectives and adequate resources?

- **Service delivery can improve dramatically by:**
  - empowering poor people to monitor and discipline service providers;
  - raising their voice in policymaking; and
  - strengthening incentives for service providers to serve the poor.

References

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- David Everatt and Lulu Gwagwa, 2005. "Community Driven Development in South Africa", World Bank Africa Region Working Paper No.92, October. Available at http://www.worldbank.org/afr/wps/wp92.pdf

- The Department of Public Services and Administration's website. http://www.dpsa.gov.za . Background information on the Batho Pele initiative can be found at http://www.dpsa.gov.za/batho-pele/publications.asp and http://www.dpsa.gov.za/batho-pele/docs/BP_HB_optimised.pdf

- World Bank. 2003. World Development Report 2004: Making Services Work for Poor People. Oxford University Press. Available at http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2003/10/07/000090341_20031007150121/Rendered/PDF/268950PAPER0WDR02004.pdf