A Decade of Delivery
Past achievements Future challenges
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South Africans recently held a momentous celebration of a decade of democracy. Also remarkable about this celebration was the fact that we, as voting citizens of this country, also went to vote for a new government. This was the third time in a decade that we exercised this right under a non-racial democracy.

What was remarkable about the campaigning process — despite the challenges that can be expected in any new, embryonic democracy — was the multiplicity of political voices, and a palpable sense of political tolerance.

Altogether there were no less than 30 political parties contesting the national elections, and no less than 40 contesting at a provincial level.

The parties ranged from serious, established entities such as the ruling African National Congress, to the quirky Curriculum Vitae Party; from the radical Azanian People’s Organisation to the almost playful African Transformation Efficiency and Affirmative Movement — A-Team.

In the build-up to the first democratic elections in 1994, the country was a political chessboard. There were which supporters of the African National Congress couldn’t visit for fear of attacks by the Inkatha Freedom Party, and vice versa.

But with the recent, and third elections, parties were able to campaign freely, with the ANC even moving into Ulundi, the heartland of Inkatha territory.

Political parties campaigned freely, and placed provocative adverts on national radio and in the print media — a clear sign that democracy is taking root in this the wealthiest country on the African continent, and the last to achieve its transformation from a white-ruled racial oligarchy to a non-racial democracy that boasts one of the most liberal constitutions in the world.

Moeletsi Mbeki, who happens to be the brother of President Thabo Mbeki but is himself a highly respected political analyst and deputy chairperson of the South African Institute of International Affairs, told the AllAfrica.com news agency why South Africa took such a short time to be a relatively mature democracy.

“Democracy in South Africa pre-dates 1994, because we had democratic traditions in the middle of the 19th century — what generally is referred to as Cape Liberalism. But that was the beginnings of democracy — of modern democracy in South Africa. The whites had the vote and the blacks had a vote. And the blacks from the middle of the 19th century had their own newspapers — because they were participating in the electoral process and they had their own political parties.”

These are the sentiments shared by no less a person than Frederik W de Klerk, the former president, who wrote in a local paper recently: “The first 10 years of the new South Africa were characterised by our successful constitutional transformation from minority rule to two successful national elections; we witnessed the seamless transition from one president to another; and our democratic institutions — Parliament, the Constitutional Court, and civil society — began to play their assigned roles in our young and vibrant democracy. The process was largely successful because it was the product of intensive and inclusive negotiations.”

(This Day, 5 April, 2004)

However, despite all these achievements that have been made on the political front, there still are glaring shortcomings that endanger democracy.

A recent study by The Washington Post, the Henry J Kaiser Family Foundation and Harvard University cites the following as major challenges to the otherwise progressive and progressing nation: crime, Aids, a shortage of jobs and public services. According to the survey, eight in 10 South Africans believe democracy will survive — up from barely half five years ago.

But as can be expected in a country that has been a racial oligarchy for a larger part of the 20th century, South Africa is still grappling with the issue of racism. The study shows that aggressive affirmative action programmes have not been able
so far to counter the racial dominance of blacks by whites on the job front.

Whites still outnumber blacks among top managers by nearly 10 to 1, according to government employment statistics released in 2002. Even among middle managers, whites still outnumber blacks in a country where blacks make up 79% of the population, whites 9.6%, coloureds 8.9%.

It’s a challenge that the country is coming to terms with, with great help from the private sector.

In a continent where, in most countries, governments tend to be the largest single employers, in South Africa the opposite is true. Estimates in South Africa point out that the non-governmental organisations employ the same number of people as the government. The private sector is far larger, and far more powerful, than the government.

Moeletsi Mbeki argues that South African Breweries is far more powerful than the South African government.

“It’s taking over Africa and the world,” he says.

The strength and muscle of the private sector have helped to ensure that government does not have the all-pervasive power and influence experienced in other African countries.

This must be a celebrated reality as such powerful governments tend to be a power unto themselves, at the expense of democracy, at the expense of accountability to the very electorate that put them on the pedestal of power in the first place.

But thankfully, the private sector, powerful as it is, enjoys a comfortable relationship with the government — there is a mutually beneficial partnership.

Elsewhere in this journal, Bongani Matomela of the DPSA argues in favour of the partnership between the private and public sectors to help enhance service delivery and thus deepen democracy.

It’s this dichotomy that is also alluded to by a number of writers including Joel Netshitenzhe also in this issue.

It is this partnership, understanding between the two entities, that has seen government putting forward a variety of industry charters, notably the Financial Services Charter, with the view to ensuring that the private sector commits itself to a fair contribution towards the empowerment of previously disadvantaged communities through job creation schemes, and the extension of equity to the deserving previously disadvantaged communities and entities.

It is a partnership that needs to be encouraged and nurtured if democracy and the attendant socio-economic transformation of the country are to be given meaning.

Fred Khumalo
A Challenge to all Employees in National, Provincial and Local Government

Less Red Tape, Better Working Conditions

Do you have an idea that can:
• Reduce the number of forms that a citizen needs to fill in to apply and receive a service?
• Improve a form that will speed up the delivery of a service?
• Reduce the number of times that a citizen has to visit a government office to finalise an application for a service?
• Reduce the paperwork that needs to completed and stored?
• Improve the time that it takes to finalise the processing of an application?

Then you should consider taking part in the first Red Tape Challenge.

1. Introduction
The Centre for Public Service Innovation (CPSI), in partnership with the Department of Public Service and Administration (DPSA) and the State Information Technology Agency (SITA) released the results of a study on red tape on 18 March 2004. The results of the study are published in a report entitled ‘From Red Tape to SMART Tape’. The report is the second in a series of Future Watch reports aimed at stimulating innovation in the public service.

A key message of the study is that the time is right for greater focus on improving the performance of the public service by tackling red tape. Increasingly, a number of other countries are prioritising red tape reform. Learning from these efforts, the report proposes a series of complementary strategies. Together, these strategies are aimed at making significant progress in reducing red tape in the medium to long-term.

Reform of red tape can take many forms. Some require major regulatory change, vertical and horizontal coordination across government, new technology, and even new types of organizations. However, as highlighted in the report, there are hundreds of improvements can be achieved quickly and simply within a single organisation and even within a unit within an organization. Addressing these quick-wins is an important pillar of the red tape reform agenda.

Core to any strategy to reduce red tape is the insight and ideas of public service employees. Because you experience the frustration of red tape on a daily basis, we are looking for your ideas to reduce red tape.

2. A Step-by-Step Guide to the Challenge
Step 1 – Identify a red tape problem in your area of work and a solution that can be quickly and easily implemented.

Step 2 – Attempt to secure the support of your DG or head of the institution for your idea. If you are not able to do this, you can still enter the challenge.

Step 3 – Submit your idea to Centre for Public Service Innovation (see section 4 for details). Use the guidelines in the next section (section 3.1) to structure your proposal.

Step 4 – The CPSI together with the DPSA, SITA, and other experts will review all proposals received and select between 3-8 of the ideas that meet the criteria outlined in section 4.1 for implementation. Employees whose proposals are selected will immediately receive a challenge reward of R2,500 and the employee and idea will be profiled in the Service Delivery Review and Bua News.
Step 5 – The CPSI, DPSA, and other partners will implement the idea. Resources and expertise required to implement the idea will be provided by the CPSI and DPSA.

Step 6 – After a short period of implementation (between 3-6 months), the project will be evaluated. Where a project was successfully implemented, the employee who proposed the idea will receive a second challenge reward of R7,500. In addition, all employees who receive a second reward will stand a chance of being chosen to attend the prestigious CPSI Executive Development Programme on Innovation Management worth R25,000.

3. What to Include in your Proposals

3.1 Proposals should be short but concise (no more than 2000 words). The proposals should deal with the following:-
- A short description of the service or process where red tape has been identified;
- The nature of the red tape, and the administrative burden that it imposes (i.e. on whom is the burden imposed and the nature of the burden);
- The proposed red tape intervention - what steps need to be taken to reduce the red tape;
- What impact will the red tape intervention have, i.e. quicker turn-around times for services to citizens, cheaper services, or better efficiency on the part of the organization in tracking and addressing citizen needs and how can the impact be measured;
- The resources required for implementing the red tape intervention, and the time that it will take for results to be seen.

3.2 A panel consisting of the CPSI, DPSA and other suitable experts will review the proposals and select between 3-8 proposals that:
- Are clear and concise, i.e. the red tape intervention is clearly described and seems achievable;
- Where the written support of the DG or head of the organization is included or where the DPSA can secure this support;
- Can be achieved within 3 months;
- Where the required resources to successfully implement the pilot can be secured;
- Reflect that the intervention can yield sustainable benefits.

4. Where and when to submit your proposals

The closing date for proposals for the Challenge is Monday, 31 May 2004 before 12h00 noon.

All proposals MUST be submitted in hard copy format. Proposals only received in electronic format will not be accepted. Submit three copies of your proposal, marked to the attention of Ms Bridgette Kekana, to either of the following address:

Centre for Public Service Innovation
State Information Technology Agency
John Vorster Drive
Centurion
0046

Centre for Public Service Innovation
Postnet Highveld Suite 404
Private Bag X111
Centurion
0046

Electronic copies of the proposals should be included either on CD-Rom or floppy disk with the hard copy proposals, or e-mailed to Brigette.Kekana@sita.co.za

Be an agent for positive change

Batho Pele – we belong, we care, we serve
My appointment to the portfolio of Public Service and Administration for the second term coincides with the end of the first decade of our liberation. It comes at a time when the African National Congress has been returned to government with an overwhelming majority (70%), which reflects the confidence of the electorate in our manifesto and our ability to govern and deepen the implementation of our policies through a People's Contract.

I am thus quite humbled and honoured to be part of a team that carries the challenging mandate of ensuring that government puts in place the institutional, human resource and governance framework that will enable us to provide effective and accessible government services to all South Africans.

Our commitment to a People's Contract dictates on us a profound responsibility of providing services to the citizens. Our success in this daunting task of making the “People’s Contract” a reality requires that we establish a complex network of relationships to ensure that government is not seen as doing things for People but doing things with the People. Our commitment to this relationship goes beyond being accountable and, most importantly, makes possible the release of assets and potential that is latent in our communities. It must reflect upon the ways in which ordinary citizens are able to access government services.

All these put together demand that this publication, The Service Delivery Review, assumes an even more profound and challenging role of not only reflecting on both our achievements and challenges, as it has been the case over the past two years. It now has to grapple with more intricate issues such as the role of the state and the public services at all spheres of government, including public entities and State-owned enterprises and their roles in building the developmental state.

This publication should also create a shared understanding of terms such as the “developmental state”, the “first” and “second” economy, etc. within the context of reducing joblessness and poverty. The issues tackled should constitute baseline information for policy debates as well as practices, and should fundamentally be made available to public servants and practitioners.

As we enter the third term of government we should acknowledge that governance and administration are highly complex issues that could benefit from a more integrated and strategic approach rather than a range of unconnected interventions of different magnitudes. Thus whilst acknowledging the strides we have made over the past decade, our mission now is to do certain things differently and better in the immediate period ahead of us and in the next ten years. Our overall thrust, for instance, must be one of building the developmental state that considers:

- Administrative practise in line with such important imperatives as responsiveness and accessibility;
- Human resources for the public service;
- Improving on governance, leadership and management;
- The macro organisation of the state and the relationships that underpins it;
- Consciously ensuring our readiness for deepening policy implementation; and
- Facilitating and practising evidence based decision-making.

As a practical level we should prioritise the deployment of community development workers in every municipality to help communities access information about government services and the actual services. Community development workers are interlocutors within communities as well as cadres who will help to tap into the energies and resources within communities that will contribute towards the synergies required between government services and community resources. SAMDI also has the responsibility to track and document the development and work of community development workers. All of these constitute a rich source of knowledge that should be captured in this publication and then shared throughout the public service.

This decade also presents a challenge to organised labour, and the public service unions in particular, and government to reflect on how we can infuse the culture of Batho Pele across the Public Service. Are members of the public service unions and their leadership beating the drums and properly responding to the beat of “I serve, I care, I belong”? And, most importantly, do citizens really hear the beating of the drums of and for improved service delivery? This is an urgent call that we must all respond to as it forms part of the People’s Contract.

As we capture the case studies and reflect on our experiences, we must state that those experiences must be shared across the Public Service with the intention to replicate our success stories. It cannot be business as usual as we step into the second decade of our freedom. We must deliver services more effectively and make them more accessible to our people. We must ensure that those who serve in the public service do so because they are “proud to serve”, because they “belong” and they “care”.

As I reflect on the next decade the words of John W Gardner come to mind: “Nothing is finally safe. Every battle is fought and re-fought. We need to develop a resilient and indomitable morale that enables us to face those realities and still strive with every ounce of energy to prevail.”

We must always ensure that we strive for innovation in improving service delivery in the public service and this requires us to review every battle and fight them again if so required!
The 3rd Annual Service Delivery Learning Academy

July 14-16 2004
Feathermarket Centre: Port Elizabeth

Integrated Service Delivery for Development: Making the Service Delivery Chain Work for the 2nd Decade of Democracy

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Government mandates and priorities
Sectoral priorities and policies

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WALALA WASALA! YOU SNOOZE, YOU LOSE!
The DPSA hosted a workshop for provincial learning champions from March 11 to 12, 2004 at Misty Hills Hotel near Krugersdorp. The workshop was held against the background of a strong and urgent need to institutionalise learning and knowledge management in the entire public service and to illustrate the need for all initiatives to be linked where necessary.

Since its launch, the LKM Unit has relied on one Learning Champion per province and it has become imperative that this number be increased. Importantly, it has become quite urgent to equip these individuals with appropriate knowledge, skills and attributes to enable them to be instrumental in putting in place necessary resources, appropriate systems and processes for monitoring and evaluation.

Funded by the Commonwealth, the objectives of the workshop were:

• to set up a cross-sectoral team to support the DPSA in driving the learning and knowledge management programme in the public service;
• to begin with the institutionalisation of the programme by increasing the number of learning champions;
• to equip provincial learning champions with knowledge, skills and competencies to drive learning in their departments; and
• to brainstorm the setting up of appropriate, workable and effective systems, processes, platforms, and structures for learning to take place and for officials to be able to continuously monitor and evaluate progress and impact.

Participants were drawn from six provinces: North-West, Eastern Cape, Limpopo, Mpumalanga, Free State and KwaZulu-Natal — and one official came from the Mangaung Municipality in the Free State. Most of them were from human resource development/training units and divisions of their respective departments, although there were departmental and provincial variations in this regard.

The selection was a success as there was a team of vibrant and mature individuals who in turn empowered the workshop through their active participation and openness.

Action-learning dominated the workshop to enable participants to learn from experience through reflection and action. Experts in various aspects of the learning and knowledge management discipline made presentations and ran interactive workshops in specific areas. Case studies were also presented to give learning and knowledge management a “practical face”.

Presentations covered a wide range of issues, including setting the scene and framework for service delivery and the locus of learning and knowledge management; the experiences of benchmarking activities in the United Kingdom; knowledge management processes, challenges, and lessons from the Development Bank of Southern Africa; the DPSA’s outline of its learning and knowledge management programme and emerging challenges; and
an interactive knowledge sharing game which delved into different aspects of harnessing knowledge sharing and how to deal with challenges thereof.

Participants were divided into three groups. From group discussions it emerged that there are different contexts within which learning is taking place in different provinces. Summarily, it does appear that knowledge management goals should be based on organisational imperatives, and that services and knowledge sharing systems are dependent on clear stakeholder/user needs and greater collaboration.

It emerged that in some departments there is some sharing of knowledge which, unfortunately, is not widely institutionalised. There are no structures for implementation. In others the culture of sharing knowledge and information was totally lacking.

There is also a lack of understanding of the concept, hence the challenge of marketing, raising awareness and demonstrating the value of learning and knowledge sharing. The lack of support at management level was reportedly raising serious challenges for champions.

In moving forward, there was a strong feeling that DPSA, working through the Premiers' offices in the provinces, should drive the process and provide frameworks/direction. There is a need for a structured roll out by the DPSA, a need for policy guidelines, directives and framework.

The feeling is that since the DPSA is at the centre they already have influence and should continue to drive the process. Provinces could also work through the clusters that already exist. Partnerships amongst provinces were also highlighted as critical, particularly with the private and non-governmental sectors, as well as civil society. Also mentioned as critical was union involvement and buy-in.

Defining, demystifying and demonstrating the value-add of the LKM concept, and provision of information systems required to drive the programme, were highlighted as critical issues. Greater intra- and inter-provincial collaboration, albeit through a centralised, structured information management system was identified as one of the models that could facilitate success.

The DPSA will convene a workshop to deliberate on the knowledge management framework for the public service, and participation will be drawn from other networks and will include the newly trained Learning Champions who participated in the workshop. Provincial LKM drivers would actively participate in current learning networks and make requests for support and assistance as required.

- DPSA wishes to express its gratitude and a big “thank you” to the Commonwealth for funding part of the workshop.
There is Virtue in Strength and Certainty

Joel Netshitenzhe, the CEO of Government Communications (GCIS) and Head of the Policy Unit in The Presidency, reviews a few government interventions in the area of service delivery over the past 10 years, focusing on housing and infrastructure. He argues that the government, over the next decade, needs to be firm in its resolve to partner with a variety of sectors in a bid to inject growth into the economy, which will have a trickle-down effect to those trying to access social services.
Nelson Mandela concludes the epic drama of his pre-1994 life, *Long Walk to Freedom*, with the now famous words:

“I have walked that long road to freedom. I have tried not to falter; I have made missteps along the way. But I have discovered the secret that after climbing a great hill, one only finds that there are many more hills to climb. I have taken a moment here to rest, to steal a view of the glorious vista that surrounds me, to look back on the distance I have come. But I can rest only for a moment, for with freedom come responsibilities, and I dare not linger, for my long walk is not yet ended.”

These words capture a profound dynamic in the process of social change. Firstly, the past lives on in ubiquitous ways in the present, grappling to pull the present back but also spawning forces that push it forward.

Secondly, the present marches to the future not in linear fashion, but it has to zigzag around many obstacles. Thirdly, ours is a long walk precisely because in 1994 we arrived only at the end of the beginning.

Methodologies galore can be employed in reviewing the past 10 years, from an overemphasis on the will and acumen of leading actors to an assumption that all-powerful forces beyond our control were responsible for what has transpired. As Adam Habib, the executive director of the Human Sciences Research Council and political analyst, says, the truth is somewhere in-between.

But how do we measure such progress? Habib argues that we cannot use the apartheid social reality as a frame of reference, for that would be to compare ourselves with an aberration, a crime against humanity.

The philosophical underpinning of Habib’s argument aside, there is also a practical problem — as the Policy Unit in The Presidency came to realise in finalising government’s Towards Ten Year Review.

The statistics of the previous era are highly unreliable. No sooner do you start developing arguments to interpret a strange massive decline in life expectancy since 1994, than you discover that “South Africa” in pre-1994 statistics excluded the poverty-stricken “independent homelands”. Further, where quantification applies, so qualitatively different is the current order that often you end up with differences of the order of magnitude of infinity.

However, we have to understand the present against the backdrop of the past. Otherwise we may end up conjuring up all kinds of warped theories about why the poor evince such confidence in the government and such optimism about the future — that it is a race-based herd mentality rather than the sense of dignity, belonging and material change that they have experienced.

Habib asserts an intractable contradiction in government’s policies which would make it impossible to address the deep-rooted reality of two economies in one country. Government’s macroeconomic policy (GEAR) is, to him, an antithesis of the RDP and it represents a pandering to the dictates of capital to the exclusion of the aspirations of the majority.

Having made this assertion, Habib cannot but reach two conclusions: that, if government felt threatened in terms of majority support, it would listen more to the poor; and that there may be hope because government is now abandoning GEAR.

What Habib fails to appreciate is that the art and science of governance is essentially about weighing trade-offs and making choices. With a budget deficit close to 10% and the country entering a debt trap, the choice was either to borrow more and end up with a begging bowl in hand at the IMF and World Bank, or to reduce the budget deficit while reprioritising expenditure in order to ensure sustainable development. Government chose the latter.

The RDP expressly called for the development of a macroeconomic policy. But the form that such policy assumed was dictated to by the realities of that moment, including an unmanageable budget deficit, high interest rates, and very weak local and foreign investor confidence. So in a sense, GEAR was a structural adjustment policy, self-imposed, to stabilise the macroeconomic situation.

Indeed, the massive increase in social expenditure in real terms over the past few years reflects success in such stabilisation. Besides, since 1992/93, spending on social services has grown from 44.4% of general government expenditure to 56.7% in 2002/03.

Habib seems to be cavalier about this change — juxtaposing millions connected to water and millions cut off; millions connected to telephony and millions cut off; jobs created and millions of jobs lost. But rigour in research does matter: it is two million net new jobs after accounting for job losses; it is partly the acquisition of some 12 million cellular phones in the past decade as distinct from reliance only on fixed lines; and the 10 million connected to water which cannot by any stretch of the imagination be compared with the few households occasionally cut off.

So is there a GEAR shift? The principles of macroeconomic stability remain. But because such stability has essentially been attained, there is more space for massive social and economic interventions by government.

So is there a GEAR shift? The principles of macroeconomic stability remain. But because such stability has essentially been attained, there is more space for massive social and economic interventions by government. In that sense, we are in a post-stabilisation phase, a post-GEAR period.

Government can utilise this space by upping the pace in providing social services and leave matters at that. But the impact of such delivery does get somewhat discounted if people do not have jobs: for instance, 50% of households use electricity only for lighting because the unemployed do not have electrical appli-
ances or they cannot afford the bills. Or it can combine improved social services with interventions to lift the Second Economy and reduce dependence on social grants.

Measures on the table include the Expanded Public Works Programme, better labour market intelligence, improved access to micro-credit for productive purposes, co-operatives, faster land reform and more effective skills development.

This should help promote sustainable livelihood and the “graduation” of some of the marginalised into the First Economy.

For these interventions to succeed, the First Economy needs to grow faster, generate more resources and create more opportunities. In other words, these latest initiatives are not an antithesis of, but a logical progression from, previous programmes.

Government cannot do this alone. Thus the core organisational principle for the Second Decade of Freedom is pursuing a social compact: a partnership among government, the community sector, business and labour, with clear tasks that each will carry out variously and collectively to build an economy from which all can benefit.

Logic suggests that what you need for this purpose is a partnership among confident rather than weak actors, more certainty rather than uncertainty.

Indeed, the greatest danger in the coming period is the spectre of an indecisive and weak government, unable firmly to identify and lead the pursuit of the common interest in the midst of competing and conflicting sectoral self-interests. Otherwise, the long walk continues.
This year we will celebrate the delivery of clean water to the 10 millionth recipient in our country since 1994. We have as a Government begun to create a better life for all our people, especially those that bore the brunt of apartheid.

Ten years ago all South Africans celebrated the joy of liberation in our country. After decades of exploitation and denigration, South Africans had for the first time a democratically elected government, a government for the people by the people. Despite this achievement, the Government was faced with a massive task of addressing the legacy of a system that exploited and deprived most of its citizens of their human dignity.

Indeed the Government of Nelson Mandela inherited a country of two worlds, a white South Africa that was equal to any first world country and a black South Africa facing all the challenges of the third world. The magnitude of the task facing the Government was immense, especially given that delivery was to take place in an environment of rapid and fundamental change in the institutional and governmental structures required to give effect to South Africa’s new Constitution.

South Africa has one of the most advanced Constitutions in the world in terms of the protection of human rights and the promotion of human dignity. It provides explicitly for “access to sufficient food and water” as a social right. Water is, after all, a basic human right, fundamental to life. This was the basis for the Government to begin a major programme to bring water to its people. It began with the challenge of putting in place legislation, policies and programmes in order to give force to the Constitution.

Before 1994 and as a result of the homeland system which fragmented South Africa, no national institution was responsible for ensuring equitable and sustainable access to water supply or sanitation services, and no structured national legislation existed regulating the provision of these services for South Africa as a whole.

Water supply and sanitation services were dealt with in a fragmented and inconsistent manner in provincial ordinances. Rural water supply and sanitation was the responsibility of those homeland governments.

The Reconstruction and Development Programme identified the lack of adequate water supply and sanitation services as an important priority for the new democratic government’s intervention. It identified the void created by the
absence of a national institution charged with providing these services as a critical obstacle to meeting community needs. The Department of Water Affairs and Forestry was subsequently tasked with the responsibility of building competent local and provincial agencies capable of providing adequate water supply and sanitation services.

In 1994, around 14 million people did not have access to safe drinking water and some 21 million people did not have access to a basic level of sanitation. These were people, mainly in rural areas, who had to fetch their water from distant rivers, springs or if they were lucky from distant wells and boreholes.

Women and children were condemned to spend many hours walking long distances to fetch water, often in very dangerous circumstances. Many faced the daily terror of fetching water from crocodile infested rivers.

**Progress, achievements, and challenges in water provisioning**

Ten years later, we are reaching the milestone of 10 million people with access to clean water who had none in 1994. This is a remarkable achievement. South Africa has more than achieved the rate of delivery required to meet the millennium declaration set by the Heads of State at the United Nations in 2000. At that meeting our President, Thabo Mbeki, together with 100 other Heads of State, committed to halving the number of people lacking safe water in the world by 2015. At the present rate of delivery, we will eradicate the backlog of infrastructure for water by 2008 and sanitation by 2010.

This achievement in the first ten years of democracy has not just been about meeting international targets. It has been about creating a better life for all, especially for the rural disadvantaged. It has had a profound impact on the lives of women and children in rural areas. In providing water to rural households, we have liberated innumerable women and children from the drudgery and labour of fetching water over long distances. We have ensured that children attend school rather than being the carriers of water, and we have begun reducing illness from water borne diseases.

Despite our success, we still have some five million people obtaining water from rivers and springs and some 16 million people without adequate sanitation facilities. Although our goal is to eradicate this backlog by 2008 and 2010 respectively, we will not stop there. We recognise that this is not enough.

Our vision for the next ten years is to move our people up the Water Ladder, from communal taps to the convenience and dignity of water in people’s own yards with each household having its
own toilet and even, in time, hot and cold running water inside their homes. While we continuously improve the services we will ensure that those who cannot afford to pay, will receive access. This has become a priority.

Our pro-poor policy of Free Basic Water has been a realisation by Government that there are many South African’s that cannot afford to pay for services so essential for health and basic needs. Thus the policy ensures that when implemented by Local Government, households are entitled to up to 6,000 litres of clean water every month at no cost. Free Basic Water is Government’s commitment to pushing back the frontiers of poverty. Already more than 27,6 million people are benefiting from the policy.

Our challenge of fulfilling the Constitutional mandate of guaranteeing the people of South Africa the right to access to sufficient water is immense considering that South Africa is a water stressed country. A United Nations report reveals that out of 182 countries only 30 have less water available per person than South Africa.

**The legislative framework**

Our National Water Act, published in 1998, was written with this understanding. An understanding that water is probably the most fundamental and primary contributor to the well being of society. We need water to meet the basic needs of society and to drive the economy, which produces the wealth required to ensure a better life for all. We need water to quench our thirst, grow and prepare our food, for hygiene, for sustaining the natural environment, to generate power, support production processes, for recreation and for our spiritual needs.

The Act was written with the understanding that we need to manage the rather limited water resources of the country to optimally serve these purposes. Thus the National Water Act ensures that water resources are a public commodity, which must be regulated to meet the interests of all users, whether they get their water from rivers, the clouds, or underground. So no part of the water resources of South Africa will be regarded as private property. The Government, as the custodian of the water resources of South Africa, must manage them so as to ensure that all South Africans have enough water not only to sustain life, but to sustain a life of dignity, a life in which their human potential can be fully developed.

The Act has been essential to ensuring Government’s vision of developing a better life for all. It is seen by the world as a first to ensure getting the right mix between economic growth, social equity...
and environmental sustainability. In a new radical approach to water resources management the Act sets aside sufficient water, as a guaranteed right in any catchment area, to meet the basic human needs of all the people in the area.

The Act also sets aside sufficient water to meet the ecological needs of the rivers, streams and wetlands of South Africa. This fulfils the Constitutional right of a healthy environment, which demands that we protect and nurture the environment. Our Constitution also obliges us, to ensure that all reasonable legislation and other measures are put in place by Government to ensure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

The measures contained in the water legislation and policies has ensured that the economy is protected, that water is freed to create new business and to provide more jobs.

Our “blueprint for survival”, the National Water Resource Strategy to be launched during March 2004, will ensure that the objectives of the Constitution and our Water Act are met. It describes the ways in which South Africa’s water resources will be protected, used, developed, conserved, managed and controlled. Put simply, it will ensure that we use our water resources to meet the needs of our people, to create jobs and support sustained economic development while ensuring that aquatic ecosystems, on which all life depends, are protected.

**Forestry**

The past ten years has also seen Government approach South Africa’s trees and forests as a truly national resource. A resource that requires protection and is used for the benefit of our people, especially those communities that need it the most — our rural communities. Our endeavours have been to ensure that forests can be utilised by communities, in conjunction with the State and private sector, for their economic advancement.

We have made great efforts to ensure that there is greater participation in all aspects of forestry and the forestry products industry by persons disadvantaged by race discrimination. Success of sharing development can be illustrated by many examples.

Some exciting examples of this approach are:

- **With the support of the Department and donor agencies the Mineworkers Development Agency has developed a programme to use Marula trees as a source of valuable essential oils and other products. Some 2 400 women from 42 villages are involved in the project.**
- **In the Eastern Cape the Storms Rivers Adventures has initiated a Tree Canopy tourism project, which allows people to visit Knysna’s Yellowwood forests from the tops of trees rather than from the ground. This project has created a number of jobs and has also given the area’s youth the opportunity to be trained in the tourism industry.**
- **Our approach of handling the operations of State-owned forests to commercial management, to the restructuring of State-owned forests has proved very successful. This has greatly benefited rural communities by contributing to poverty reduction through jobs, business opportunities and income. The private companies concerned have recognised that they cannot operate without good relationships with their neighbouring communities. These restructuring processes have facilitated black empowerment and allowed the previously disadvantaged a share in the ownership and control of the forestry companies.**
- **All private sector bidders had to allocate at least 10% of shares to black empowerment interests, and up to 9% to the workers via employee stock ownership/options plans, subject to a limit of R10 000 per employee.**

**Concluding remarks**

All these initiatives illustrate that Government has implemented policies and programmes that ensure that forests and trees can and are being protected and used for the benefit of our people. The past decade of freedom has also seen a Government committed to delivering safe water and adequate sanitation to all our people. A Government that is focused on developing and managing our water and forestry resources in a manner that will secure the well-being of our economy and our people for all time. We are and continue to strive to build a better life for all our people.
South Africa displays features of an advanced capitalist and bourgeois country, where the majority of the population are servicing the economic system while a few reap the rewards. The towns and cities of our country have the economic and social institutions that are basic and specific to the capitalist system while the rest of the country is comparable to other less developed countries of the world.

South Africa thus has two economies, one advanced and sophisticated while the other is rudimentary and underdeveloped. The same was true of many post-liberation African countries in the 1960s. However, almost 40 years later in this country, like other African states, the bourgeoisie is “in an embryonic state”.

South Africa, like many other African countries, is endowed with natural resources. However, despite possession of these natural resources, the...
country remained for a long time a trading mining economy.

The apartheid state in South Africa used race to deny the African majority access to the economy. For many years, the majority of people were on the periphery of the economy, working as servants of the white capitalist class and its middle class. South Africa could be regarded as a “capitalist country without capitalists”.

We can hardly talk about an African bourgeoisie let alone an established black middle-class business community. The majority of the existing black middle class (i.e. teachers, nurses, etc) is mainly employed by the state. The biggest challenge in the next decade lies in closing the gap between the first economy and the second economy.

In the last 10 years of South Africa’s democracy, the demon of its racist past has reared its head from time to time, but today one can say that South Africans have found a way of moving beyond race and focusing attention on the developmental challenges facing their country. South Africa must equally move beyond the politics of reconciliation and pay attention to the politics of national construction. Having emerged from a past that denied many people the right to take part in the democratic life of their country, it is imperative that every able citizen should be an active participant in development.

**Development challenges of the State**

To achieve a higher standard of living and a sustainable economic stability will require the South African government to be involved in development and have the capacity to intervene to promote a broad-based economic empowerment.

The strength of South African democracy as it moves into the next decade lies in the stability and consolidation of its political system. Democracy is not an event nor can it simply be understood as one Election Day in the life of a nation. Democracy should be measured according to the depth of participation of citizens in the socio-political and economic life of their country.

The 2004 general elections were perhaps a test of how far the country has travelled down the road from its unfortunate past.

While the customary five-yearly elections are important to refresh the mandate of parliament and a government in power, it is critical that a vibrant democracy encourages people to actively participate in structures and institutions that impact on their lives. Unless all South African people, especially those that were less empowered, actively participate in the economic life of the country, the country’s political independence will remain hollow and empty.

The State must actively play a major part in promoting growth in South Africa’s economy, modernising and investing in infrastructure development.
while ordering radical corrective measures to accelerating universal economic access for the historically disadvantaged who are mainly in the informal sector. South Africa, like other developing economies, needs a democratic state that is capable of achieving popular development that benefits the majority.

**Legitimacy of the state machinery**

Legitimacy is perhaps the biggest test for any state that seeks to lead in development. Mkandawire argues that structural capacity of the democratic developmental state to implement economic policies wisely and effectively is dependent on various factors including institutional, technical, administrative and political capacity. Underlying all these is the independence of the state from influential forces that seek to set the agenda for development for short-term private interests.

Investors, in addition to political stability, often require a legal framework that offers predictability and clarity in policies and regulation. However, foreign investors often call for less state intervention in the economy and for a big bang approach to economic reforms. The 2003 failed Cancun trade talks demonstrate the importance of developing economies joining forces to demand a fair and balanced global trading system.

Developing countries must adopt a managed liberalisation of their economy guided by the need to achieve national priorities of their countries. The adoption of a managed liberalisation approach requires a clear and predictable policy and regulatory framework. While a gradual opening of the economy is advisable, this should not lead to stagnation and state owned enterprises trading amongst themselves.

Government must gradually reduce its role in enterprises that are not in the forefront of public service delivery. South African companies and individuals must be encouraged and empowered to buy stakes in privatised state assets. The state must fast track the growth of SMME businesses throughout the country. For the economy to create jobs, small medium enterprises must be financed and allowed to flourish. Government must adopt measures to encourage the financial sector to provide SMME access to capital, especially SMMEs owned by black people and women.

**Technology as enabler of development**

State capability requires institutions and practices that will enable the state to achieve its developmental goals. The use of technology offers a unique opportunity for government to rapidly address the service delivery requirements of its citizens. The demands on government service delivery today require the continual exploration and implementation of innovative mechanisms to deliver public services at an affordable rate. Citizens are continuously demanding more convenient and cost-effective means and ways through which they can access government service delivery. This, in part, is due to the fact that citizens are accustomed to convenient channels when dealing with the private sector and they are therefore justified in asking the question: can our state offer us service at our convenience?

The use of technology in e-government and e-governance may contribute in the process of creating opportunities for all. However, this will require more investment in infrastructural development. The rapid increased usage of mobile phones since they were introduced in South Africa in 1994 has allowed many people to have access to relevant and useful information.

**Deepening democracy and creating checks and balances**

Sustainable development requires that the state and technocrats be held accountable for their actions. The two most important formal instruments for achieving accountability are a strong judiciary and the separation of powers. For judiciaries to be effective, they must be independent and have adequate resources and instruments for enforcement.

Judicial independence and enforcement have repeatedly been compromised in too many countries. However, South Africa has demonstrated repeatedly that the separation of powers doctrine is in full force in the country. The legacy of our past inequalities requires a balance between constitutionalism and democracy.

While South Africa’s democratic Constitution is supreme, this should not prevent Parliament and the democratically elected government from adopting measures to address the wrongs of our past. Even where judiciaries are capable of enforcing rules, the state’s credibility can be limited if the public has little rea-
son to believe that rules will be stable over time. The separation of powers thus increases the public’s confidence that rules will be sustained or that changes will be made only after considerable negotiations.

Nonetheless, many developing countries, even those with a formal separation of powers, have few effective checks and balances. In some countries, legislative oversight is weak because of poor capacity and inadequate information. The Chapter 9 institutions in our Constitution are an important pillar of our democracy. Their role is primarily to deepen democracy and offer legitimacy and oversight on key performances of state organs.

The experience of the last ten years has demonstrated how important these institutions are to our young democracy. It is therefore important that their independence from commercial and political interference should be guaranteed and protected. They need to be funded adequately and protected from influential social forces that may hamstring their functions using our democratic dispensation.

For their legitimacy, it is important that Parliament should work together with them to increase their oversight role and their capacity to function within the boundaries of the law.

**Batho Pele and managing performance**

South Africa, like many developing countries, needs to strengthen compliance and financial accountability by civil servants in government departments. To increase the level of accountability of state employees, countries such as Argentina and Bolivia are now undertaking reforms to improve the quality and credibility of their financial accounting and auditing systems. As input controls are strengthened, countries such as Colombia, Mexico, and Uganda are introducing performance measurements.

The introduction of clearer descriptions of desired performance outcomes and the introduction of ways to evaluate performance of civil servants is paramount to an effective and efficient administration.

**Conclusion**

South Africa cannot succeed in every thing; the country needs to find something that makes it different and yet competitive. Building and investing in infrastructure is perhaps what is South Africa’s core economic activity in Africa. South Africa must recognise that as an African country we have equal responsibility to develop the African continent.

Countries of Southern Africa combined have factors that can make their economies competitive, their location and geographic size including an abundance of natural resources and access to a labour force put them in an advantageous position. Together with the neighbouring countries, South Africa must form a formidable regional economic bloc with an industrial base that is complementary.

Through the State-owned enterprises, the Southern African region could accelerate the pace of industrialisation that is necessary for the region to be economically competitive.

The regional economic blocs are necessary to form a powerful counterbalance to the global economic superpowers that use technology and their financial systems to dictate the terms of global trade and development. Globalisation offers many opportunities that should be exploited by developing economies.

**Endnotes**

1. Samir Amin
2. Thinking about Developmental States in Africa, Thandika Mkandawire, http://www.unu.edu/hq/academic/Pg_areas4/Mkandawire.html
7. Thinking about Developmental States in Africa, Thandika Mkandawire, http://www.unu.edu/hq/academic/Pg_areas4/Mkandawire.html
Service Delivery Institutions Matter

Service delivery institutions are the ultimate front-line in the service delivery chain, linking the state and the citizen. Yet this important hub has not received much attention in our various efforts to transform the public service as an institution and as a process.

Evidence of this is that neither the public service nor public finance regulatory frameworks provide a consolidated picture of administrative, procedural, service delivery and stakeholder interface processes by service delivery institutions. Service delivery institutions tend to disappear in the aggregate picture, organised along the lines of the head office structure, provided by the department.

There is clearly a role for this kind of reporting, but it cannot be the only one. More importantly, it does not provide good base information for decision-making, by either the top policy-makers or by the citizens and stakeholders.

The complexity of service delivery operations

The public service (which at present is legally defined to include national and provincial administrations) is an institutional system comprising large and complex organisations across virtually every sector of society and the economy.

A typical provincial education department, for instance, is a multi-billion rand operation with tens of thousands of staff members, and thousands of service delivery points. Each year it processes hundreds of thousands of learners, and must engage their parents in thousands of school governing bodies. It is in response to this level of scale and complexity that we at times rely excessively on rules and procedures to regulate behaviour and to guide decision-making and resource allocation.

For the vast majority of what we could term “typical” cases or situations the system of rules and procedures works with some effectiveness, if perhaps not always efficiently. It also tends to work with some effectiveness in circumstances that are familiar, which have been encountered before, more or less.

The issue of inefficiencies should not be understated, whether these are a result of regulations, procedures, structure, infrastructure or capacity. Inefficiencies in key back-office processes, such as procurement; recruitment and selection; facilities management; fleet management; records management etc. are responsible for a very big part of poor service delivery performance.

It does not help that in many instances public service organisations attempt to manage massive volumes of transactions through manual processes or outdated technologies without business intelligence capabilities.

It is particularly the so-called “a-typical” cases, or situations that are new and unfamiliar, that test the mettle of any large bureaucratic organisation. It is even more so when such a large bureaucracy characterises itself as a “developmental” organisation.

As we all well know, “development” is
never really “typical”. The particular circumstances of communities, households, individuals, businesses, etc have a tendency to interact with each other in a way that makes almost every intervention unique.

In certain cases such “uniqueness” is accentuated by developments taking place in far-away places, as a consequence of the inter-connectedness arising out of the processes of globalisation. Because “development” is such a unique phenomenon, many commentators have questioned the very idea that a large bureaucracy such as the state could support a process as diverse and “a-typical” as development. They see the very concept of a “developmental state” as a contradiction in terms.

**Alternative service delivery mechanisms?**

Some of these commentators have proposed that alternatives to the state should be sought if economic and social development is to be fostered. Some, propounding paradigms such as the “theory of public choice”, proposed that the markets and market-like instruments should be used to package and allocate public goods. They also contend that direct public provision of public services should be kept to a minimum.

Other commentators argue that “civil society”, however defined, should be the mechanism for the packaging and allocation of public goods. The view here is that civil society organisations, being generally small organisations, have the flexibility and the closeness to the community required to promote development, and thus service delivery. A slogan was started called “small is beautiful”.

In response to some of these critiques those who promote the idea of a developmental state would argue that while the criticism of the state’s bureaucratic nature is legitimate, there is no credible alternative yet provided to the state as the principal provider of public services.

They would argue that civil society and markets should be utilised to complement the state, especially where capacity weaknesses or capital shortages are evident. But there is no alternative to the challenge of transforming the state into a more nimble institution that can better cope with the challenge of development. No other institution has the scale and potential legitimacy required to make the required assault on poverty and under-development.

**Beyond generic rules and procedures: The case for Empowerment, Leadership and Accountability for Results**

How can large bureaucracies such as the state engage effectively with a process as complex as “development”? Others have characterised this as “teaching an elephant how to dance”? This is particularly so since in many instances achieving a similar outcome across a number of communities may require different customised solutions to be implemented.

“Development” (and we shall avoid the controversy of definitions here!) is an outcome of a range of interventions/initiatives that should work in tandem with each other. “Service delivery” is one of the inputs, albeit the major input in many poor communities, that are intended to support the development processes. Also important are the communities’ own developmental initiatives, and their engagement with the service delivery processes.

So the question may be asked as to what (from the state perspective) should be the result we seek to measure, “service delivery” or “the developmental impact of the totality of state interventions”? Clearly we should measure both, at different horizons and for different purposes.

But the main point we are making here is that we need to maintain a tight fit between service delivery operations and the developmental outcomes we are attempting to influence.

Formally we have “Integrated Development Plans”, Provincial Growth and Development Plans, “National Spatial Development Framework”, etc. to help us achieve such alignment. In practice, many departments continue to operate with little regard to such frameworks. In addition, many district managers and heads of service delivery institutions are not empowered by their departments to engage stakeholders in their communities so as to align their service delivery operations for a collective impact.

Even worse, in many departments service delivery performance and outcomes are not measured in any significant way. And then, of course, there is the tendency for departments or spheres of governments to compete for “delivery”, the so-called “ribbon-cutting syndrome”.

Among the things we should do if we are to get better developmental outcomes, is to manage better the interface between sectoral results and geographic area/district results. That nexus is the realm of the service delivery institution leadership/district leadership, the operational managers of our public service. It is these operational managers who must align the sectoral strategies with the complexities and specificities of their areas/districts.

It is these operational managers who must engage all the relevant stakeholders and authorities in their areas to ensure impact. But how empowered are these operational managers in most departments? How much influence do they wield in their departmental decision-making processes, be it strategic plans, budgets, operational plans? To what extent do we seek to develop, deploy and retain quality leadership at this level? How much formal decision-making authority has been delegated from head office to these field managers?

What is the proportion of our Senior Management Service that is deployed to drive operations in the field, compared
with those making constant refinements of policies and strategies at head office? The crux of the argument then is that at the operating level we need quality managers, who are empowered to act, and who are held accountable for results. Such results are a product of engagement between sectoral objectives and district/area objectives, with a view to achieving some form of customisation of the various state interventions to local challenges, and alignment with other interventions and initiatives in that community. But this, in many ways, goes against established practice and the silo culture of our public service. How then can we confront these?

Some lessons for the future
Becoming an innovative and learning organisation
Perhaps the first and most important lesson is teaching this elephant to learn. There are already many dynamic experiences and innovations by functionaries within the state, and partners who work with it, that the public service must absorb and acknowledge. The system continues to work effectively, and even excels at times, because many public servants are making things happen everyday. This is not simply compliance with regulations and policies, but active problem solving and innovation, backed by outstanding commitment and passion. Their colleagues who loaf and steal may be the ones who grab all the headlines, but these jewels of public service exist in significant numbers.

We must identify them, retain and develop them, acknowledge and reward them, learn from them and be inspired by their excellence. So we must be a learning organisation, and manage our knowledge as the valuable resource it is. If we cannot learn from our own experiences, how can we learn from anyone else?

Delivering services with excellence
The state in its role as the machinery of service delivery must do its job with excellence. It must deliver quality services, in a manner that affirms and is convenient to the citizens. Each state organisation is entrusted to deliver a defined package of products and services and make its job with excellence. This is the starting point of any turn-around in service delivery performance of the state.

Each of the silos must perform effectively. Only then does integration add value to the service delivery process. Integrating moribund organisations can make service delivery performance worse! We cannot build the puzzle unless all the bits are in place and are in shape. To do this we must get back to the basics. Fortunately our existing sets of regulations are a big help in this regard. They may stifle innovation, but they do help put the basics in place.

The regulatory departments must ensure that this happens, close any gaps that may exist, and simplify and co-ordinate where necessary. It also requires that we unlock the known blockages in the service delivery value chain, e.g., procurement, facilities management, fleet management, recruit & selection, etc.

Building capability for integration and impact
Having improved our performance as different institutions on our various outputs, we must focus on achieving the expected integrated impact from our various outputs. In addition, we must also align with the outputs of others outside the state to ensure even better impact. This requires an additional set of capabilities and activities from all of us, but especially on the central departments.

It also requires that we map the integration that already exists in the system, especially at the operating level. Some of the integration may not be elegant and systematic, but we should consolidate and resource, rather than start from scratch. This is an arena where we focus on impact, and where the issue of the social compact among all societal stakeholders is crucial.

We need to build the necessary capabilities and capacity to do the integration, rather than do it as an ad-hoc activity by people who have line function responsibilities.

In addition we need to explore what changes at the level of the macro-organisation of the state would enhance integration without destroying core capabilities of the various line organisations.

Leadership, management, and strategic capacity
Lastly, we need to understand better the manner in which we translate policy into strategies and programmes. There are instances where organisations appear to move directly from policy to projects/activities, under the false belief that any action is better than nothing. It is also reinforced by views that say strategy is no longer in vogue, only implementation (activities) matters.

Such an approach is guaranteed to create outputs that may even contradict the required impact! We need to build a project management culture in the public service, but we should never make project plans an alternative for thinking. This means that judgment and innovative thinking is as essential as good systems and sound institutions. Such judgment and innovation is a function of good leadership and management at all levels, especially the strategic and operational management levels.

Perhaps the most important difference we can make in the short-term is to build the quality of leadership and management at all levels, in a systematic and sustainable manner.
The Integrated Provincial Support Programme (IPSP)

"The IPSP remains DPSA’s flagship partnership with provinces and selected donors to improve service delivery"
Minister for Public Service and Administration, Geraldine Fraser-Moleketi

The IPSP Partnership
The IPSP is a partnership between the DPSA and the Provincial Governments of the Eastern Cape, KwaZulu-Natal, Limpopo, Free State and Mpumalanga. Financial support for IPSP projects is provided by a variety of international donors and South African government funds. It is a key capacity building programme based on an approach on inter- and intra-governmental as well as international (donor support) partnerships.

Benefits of the IPSP
• The IPSP provides an established and successful programme management system that ensures effective allocation and utilisation of resources and an excellent capacity to identify and mitigate emerging risks in an effective manner.
• It has been institutionalised into the government system and IPSP activities are included in DPSA and provincial business plans as integral to their service delivery responsibilities.
• It provides a facility to share experiences and learning on an inter- and intra-governmental basis.
• It has a well structured communication system between national and provincial spheres, across departments in the provinces, with targeted communities and with donors.
• It serves as a mechanism to leverage funds and thus create a critical mass of resources for sustainable service delivery transformation.
• It provides a vehicle for support to key programmes that cut across sectors (for instance poverty alleviation and HIV/AIDS).

Some IPSP Projects
• Poverty alleviation in the QwaQwa region of the Free State through training and capacity building of the community for the establishment of a grass weaving factory, Thaba Blinds. Sales are exceeding expectations and a national distribution network has been established.
• Support for the restructuring and transformation process at Ezemvelo KwaZulu-Natal Wildlife.
• An electronic file management system was developed for better management and more efficient and effective processing of social grant applications and payments in the Eastern Cape. Turnaround time for social grant queries reduced to average of two working days.
• Zebidiela was an unproductive, loss-making state-owned citrus farm in the Limpopo Province. Turnaround strategy developed with IPSP support. The farm has started exporting oranges again, workers have received productivity bonuses, SMMEs established providing woven bags and services to the farm.

Please visit our website for more information: www.dpsa.gov.za/ipsp
Building service effectiveness

Integrated governance and the developmental state

Richard Levin, DDG, Public Service Commission, explores a variety of interventions that can be put in place to nurture a senior public service management corps that will bring about and sustain consistent and improved levels of delivery to build on the gains made over the past 10 years.

The developmental state in the era of globalisation

South Africa’s transition to democracy took place under changing global conditions. These were characterised by the collapse of the communist bloc and the ascendancy of neo-liberal market ideology. A key element of this ideology argued for the primacy of the market over the state. This was in stark contrast to the newly elected ANC government’s Reconstruction and Development Programme (RDP), which called for a strong interventionist and redistributive state. The RDP focussed on meeting basic needs, developing the country’s human resources, building the economy and democratising the state and society.

During the first decade of freedom, much progress was achieved in addressing RDP priorities, but global realities saw government adopt the Growth, Employment and Redistribution (GEAR) policy framework. This framework was widely seen as a shift towards identifying the market as the supreme agent for resource allocation and an acknowledgement that the inherited formal economy would be the determinant of growth and development. One consequence of the adoption of GEAR, was that development priorities, including the provision of social services and economic infrastructure, were subject to fiscal discipline, cost recovery and financial sustainability.

GEAR is widely acknowledged to have succeeded in bringing about macro-economic stability. It limited but did not halt the state’s developmental agenda. Increasingly, as the first decade of freedom draws to a close, it has become evident that the strategic objective of the second decade of freedom is to continue to build and consolidate a strong developmental state in South Africa.

At the same time, the South African developmental state must recognise its location within the globalised economy.
This requires an ability to respond to unpredictable externalities by playing a clear, strong leadership and regulatory role. Globalisation and convergence have created a challenging operating environment that requires adaptability, strategy and sensitivity, if national state objectives are to be achieved.

A fundamental feature of the South African developmental state is that it must be people-oriented and capable of addressing the socio-economic needs of its entire population, especially the poor, marginalised and historically disadvantaged.

A key challenge has been aligning the inherited institutions of the state with programmes to achieve these developmental goals. Transformation of the state and governance has been a key priority of the first decade of freedom. During this period, much has been achieved. However, fresh challenges have emerged that need to be confronted in order to consolidate the developmental orientation of the state. These challenges include:

- Strengthening participatory people-centred governance.
- Improving service delivery through integrated governance.
- Consolidating an accountable and transparent state.
- Developing human resources.
- Strengthening performance through monitoring and evaluation.

This paper analyses these challenges. It also shows how steps taken to address them will build state capability in support of developmental objectives.

**Strengthening people-centred governance through popular participation**

A developmental state is a strong one that excels in good governance and the basics of public administration as well as intervening strategically in the economy to promote social development. South Africa is characterised by an economic system that has elements of a developed economy surrounded by a marginalised informal economy characterised by poverty and unemployment. A key challenge of the developmental state is to integrate the two economies while meeting both their needs.

**Development orientation**

Many definitions of development exist, most reflecting particular ways of understanding society and social change. The South African Constitution states that public administration must be development oriented. This constitutional principle is open to a number of interpretations, but it is possible to take a broad view and interpret it to mean that public administration must take account of poverty and its causes and should seek to address them. In practice this means that part and parcel of the daily activities of public administration as well as one of its major long-term objectives, should be the improvement of citizens’ quality of life, especially those who are marginalised.

Governments that seek to alleviate poverty face subtle and complex challenges. However, there are also internationally accepted strategies that are recognised as enhancing the likelihood of social development interventions succeeding. For example, it is widely acknowledged that to address poverty, comprehensive planning, participation and budgeting are required to facilitate the success of poverty-alleviating projects.

The adoption of such strategies shows that a public administration is development oriented. Other characteristics of a development orientation would be the use of participatory, consultative approaches to increase the success rate of development projects and dedicated reporting on the status of vulnerable and marginalized groups.

However, the system is widely reported as having major problems and as being in need of a major overhaul. Social security is a major government expenditure item and should be more effective. This requires imaginative and innovative service delivery approaches that build poor people’s economic networks and systems.

Most national and provincial departments have implemented a broad range of poverty alleviation programmes. This shows how important government considers the issue. Nevertheless, while many departments implement poverty-alleviating projects, these are not always implemented in accordance with good development practice. Project management guidelines are not always used, criteria for support are not clearly defined and results are not effectively monitored.

In order to succeed, development interventions need to be integrated and coordinated. This requires cooperative governance within and across the different spheres of government. Improved coordination is a challenge to all public administrations globally. The South African constitution addresses this issue explicitly, but implementation of this principle remains problematic. Land Reform, housing and other redistributive programmes have succeeded but it is clear that better coordination and planning would contribute significantly to enhancing their impact.

It has also become increasingly clear that Local Development Objectives and Integrated Development Plans are rarely considered in public service-funded poverty alleviation projects. Indeed a plethora of different planning systems have been created by different agencies at different levels of government. Development projects would generally benefit from a nationally synchronised planning framework that ensures coordination and integration.

The absence of an overarching national development strategy and planning framework is sorely felt in the Public Service. In the absence of clear guidelines on what kinds of projects should be supported and how, there is a risk that
Public Service development efforts will remain dispersed and fragmented.

The National Spatial Development Perspective provides guidelines on what kinds of development should take place in specific areas. This is a step in the right direction, but it is unclear whether its suggestions are being well promoted or properly monitored. Increasing the impact of the various development initiatives undertaken by the Public Service will require considered implementation on an integrated and coordinated basis. Support and guidance on how to achieve this need to be provided through clear policy guidelines.

The Presidency’s Ten Year Review calls for the “articulation of an encompassing framework for South Africa’s development in the next decade and beyond”8. This is clearly a priority if the objectives of the developmental state are to be achieved.

Popular participation
Of equal importance is the deepening of popular participation to attain the ideal of people centred governance. Popular participation is critical if government wishes to respond to people’s needs. Involving ordinary people in all phases of government programmes, from design through to implementation and evaluation, ensures that their needs will be properly articulated and addressed. Representative democracy is just one of the mechanisms that enables people to participate in governance. Internationally there is a move towards deepening participation beyond the institutions of representative democracy, involving citizens in planning and evaluation of service delivery, especially at the local level.

In the South African context, popular participation supports Batho Pele and draws service users into decision-making processes. This minimises the risk of expensive, ill-conceived mistakes being made. Public participation in policy making is a constitutional principle recognised by government as an important mechanism for improving the quality of policy and practice. The tripartite National Economic Development and Labour Council (NEDLAC), in which economic and labour matters are discussed, is an example of government’s commitment to participatory governance.

Most departments, however, do not have formal policies and procedures on public participation. Some policy-making departments rely on the standard participation mechanisms required by legislative procedures, while making limited use of non-expert consultations with citizens. Some departments only involve communities in the implementation phases of projects and programmes, without properly involving them in design and conceptualisation.

Provincial departments have generally done less than national departments to promote public participation. This is despite the efforts of provincial cabinets to engage citizens through outreach programmes. These are similar to national cabinet imbizos in which the President and other cabinet members engage citizens at a grassroots level in governance and service delivery issues.

Other participatory initiatives include the Public Service Commission’s Citizens Forums, convened in partnership with Parliament and Provincial Legislatures. In these forums citizens are invited to participate in assessing particular service delivery programmes and to suggest practical improvements. These forums, piloted in the Eastern Cape and Mpumalanga, have been highly successful. They identified a number of low cost, practical suggestions for improving service delivery, including better coordination by the various departments involved in poverty-alleviation programmes.

One challenge for the Public Service in building a developmental state during the next decade is to utilise popular participation to increase effectiveness and improve the long-term outcomes of development programmes. Ensuring that a participatory governance style is promoted requires that all departments have formal policies addressing the matter that are supported by clear procedures9. Clear policy guidelines with supporting regulations should be issued prescribing the minimum levels of consultation and participation required.

Improving Service Delivery through integrated governance
The process of building a developmental state has implications for the institutional architecture that supports intergovernmental relations. The intergovernmental regulatory framework needs to be strengthened based on a shared understanding of a future developmental state and its requirements.

The South African state comprises three spheres of government with the Constitution mostly assigning responsibility for service delivery to provincial and local governments. Some national departments, such as Land Affairs and Water Affairs and Forestry are directly involved in service delivery, but are dependent on the other spheres for successful and sustainable delivery of their programmes.

Indeed, the quality of interaction between the three spheres determines the impact of the state’s development efforts and is related to the Constitutional principle of cooperative governance. These issues raise the question of how to improve implementation of the Constitutional framework so that it better facilitates the delivery of services.

Building state capability and capacity to strengthen and consolidate development requires careful consideration of how national, provincial and local government can best address the needs of all South Africa’s economic sectors. Stabilising the relationship between the three spheres and building the intergovernmental system generally needs to be a focus of the next term of office. This needs to be informed by policy priorities of the developmental state.

State transformation during the democratic government’s first term of office focused on the national and provincial spheres of government and the creation of a single public service at these levels. Consolidating strong local government was an important governance focus of the second term. Clarity is now required on the assignment of powers and functions by the national and provincial spheres to...
local government. More coherence in assignment and national planning frameworks will bring greater certainty and predictability to the intergovernmental system.

The assignment framework should be preceded by an assessment of the exercising of powers and functions by each sphere and how well they are shared between them. A clearer national planning framework will similarly bring greater clarity and enhance development.

Stabilising the intergovernmental system is also a critical aspect of improving the performance of the state machinery. It requires:
- The confirmation of intergovernmental principles;
- The clarification and codification of the intergovernmental planning system and coordination of implementation and oversight;
- The establishment of protocols on intergovernmental structures; and
- The clarification of processes for dispute resolution.

It will be important to assess whether the current constitutional principles and evolving institutions such as Minnecs and PCCs can achieve the four objectives specified above. The alternative is to develop specific intergovernmental legislation to address these issues. Other measures to improve the performance of the state should include a targeted programme of support to provinces and a review of all legislation at the national and provincial levels that impact on intergovernmental relations.

The successful delivery of integrated government services requires the consolidation of a single public single service through the inclusion of the local government sphere. Short-term measures to facilitate mobility between the spheres could be fast-tracked using Section 197 of the Labour Relations Act and complemented by legislation for local government. More coherence in assignment and national planning frameworks will bring greater certainty and predictability to the intergovernmental system.

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The successful delivery of integrated government services requires the consolidation of a single public single service through the inclusion of the local government sphere. Short-term measures to facilitate mobility between the spheres could be fast-tracked using Section 197 of the Labour Relations Act and complemented by legislation for local government on human resource matters. In the long term, a single public service will incorporate all three spheres with uniform conditions of service and operational practices.

Other aspects of the state’s architecture require attention if intergovernmental systems are to be strengthened and performance improved. It is not clear whether the existing configuration of government departments is adequate to meet the state’s development challenges. Consideration should also be given to the creation of a centre for development within the Presidency to facilitate the establishment of an overarching development framework.

**Consolidating an accountable and transparent state**

Building an accountable and transparent state is one of the most important achievements of South Africa’s new democracy. Accountability involves taking responsibility for one’s actions and is a key corollary of being given a mandate by an electorate. Transparency involves making the working of government visible so that citizens know what is being done with their resources.

**Building capacity for an accountable state**

By committing to operating accountably, the Public Service, in the spirit of Batho Pele, is agreeing to be held up to public scrutiny so that its decisions and processes used to reach them can be evaluated and reviewed. This feature of modern democracies sometimes makes being a public leader awkward but is a mechanism that prevents the kinds of abuses common in totalitarian regimes.

Accountability also has a more technical dimension relating to the ability to account for resources and their use in achieving their intended outcomes. Financial accountability is a key aspect that needs to be emphasised. This is extremely challenging in a complex and rapidly evolving economy. Modern financial tools allow the most complex transactions to take place almost instantaneously and can be used to obscure the final destination of public expenditure.

For this reason transparency in public financial transactions combined with as much control as possible is a priority all over the world. Adherence to international accounting standards and procedures is critical in this regard.

A profound lack of accountability was one of the most distinctive features of the apartheid system and was a direct consequence of its undemocratic nature.

The Auditor General (AG), the Public Protector and the Public Service Commission (PSC) are key accountability institutions for South Africa’s public sector. Unfortunately recommendations made by all these institutions are not always implemented and there is a worrying incidence of matters reported in AG reports in particular, not being addressed year after year.

Parliamentary Portfolio Committees have proved to be a key role-player enabling legislators to keep abreast of developments in particular areas.

One of the key problems in the Public Service over the past ten years has been the shifting of responsibilities to lower levels before they are ready. For example, the PSC recently researched the ability of departments to deal with decentralised authority regarding remuneration and conditions of service.5 The findings clearly showed that the majority of the Public Service has not put the necessary systems and policies in place but exercise the authority nonetheless.

Audits of financial systems suggest that most national departments have fairly solid internal control systems, although four departments have received qualified audit reports for the last three years. Provincial departments generally fare less well with a higher incidence of qualified reports.

Compliance with key accountability legislation is often mechanistic. For example, departments are formulating fraud prevention plans, but in many instances they are generic and not based on thorough risk assessments. Departments that perform poorly in financial management tend to under-perform in other areas as well.

It is important that problems be addressed as early as possible for example, as soon as matters of concern are raised in AG, PSC or Public Protector reports. This will help to avoid crises such as that in the Eastern Cape, which required a special intervention.

Building Public Service accountability will require that both capacity and capability be built systematically and incrementally. Without focusing directly on accountability the situation will not improve. For example, instituting an accreditation system for Public Service managers would ensure that appointees have the skills needed for their work.

When it is evident that Public Service departments are struggling, there should
be a capacity that specialises in supporting their turnaround. The Eastern Cape experience has shown that specialist skills are needed for this sensitive and complex task. A specialist unit should be established to undertake thorough problem analyses, design appropriate solutions and support turnaround implementation. The execution of departmental risk management and fraud prevention plans needs to be prioritised. Progress should be closely monitored and emphasised more in the management and evaluation of performance.

**Fostering transparency**

Providing the public with information they can use to assess government performance and reach their own conclusions creates transparency and promotes Batho Pele. Transparency is an important prerequisite for accountability, and requires that information be presented in an understandable and accessible format.

Annual reports are the key public documents through which transparency is achieved. National Treasury prescribes what annual reports should address and stipulates the content of such reports. The basic requirement is that annual reports should consider actual performance against predetermined objectives.

PSC research has found that the quality of annual reports has improved significantly in recent years with a general trend towards better compliance with requirements. However, there are still areas of weakness. For example, there is a tendency not to focus on activities rather than on the achievement of strategic objectives. Expenditure estimates, which should form the basis for reports, are often not referred to at all. There is also very little, if any, mention of programme outcomes.

Some of the reporting requirements are unnecessarily onerous and detailed and could easily be simplified and streamlined. More attention also needs to be paid to the use of simple language that is accessible and easily understood.

Annual reports are not adequate as a transparency tool on their own. There is a need to find additional methods of reporting to the public. High levels of illiteracy and a general failure to access government communication systems means that improving transparency and providing the public with better information needs imagination and creativity.

Annual reports should be structured to directly reflect plans presented in the National Expenditure Estimates. This will allow performance and expenditure to be clearly compared to plans and budgets.
The human resource related information required in Annual Reports should be reduced. Departments should also be encouraged to adopt additional mechanisms for promoting transparency other than their Annual Reports.

**Developing human resources**

Human resource management refers to the measures put in place to ensure that employees are willing and able to implement government programmes, while career pathing includes systems that determine promotions and advancement. Being an effective public service manager requires a developmental orientation as well as highly specific and specialised managerial skills, unique to the service and distinct from those needed in the private and public sectors.

While the private sector and parasitatal’s bottom lines require efficiency and economy to ensure productivity and value for money, the public service's bottom line is effectiveness, requiring a different set of skills.

Recently, the public service has suffered the loss of a number of skilled and experienced senior managers including Heads of Department. The loss of their skills and experience will impact negatively on the national transformation agenda and the improvement of service delivery. While many national departments have managed the transition fairly well, provincial departments and local authorities are still struggling to attain the levels of effectiveness required. Providing them with the leadership and executive skills they need would assist them enormously.

People are by far the public service’s most valuable asset. Maximum utilisation of human resources is the most effective way of getting value for money. This highlights the importance of human resource management in the public service. Creating a workplace in which staff members have a clear sense of being nurtured and supported promotes efficiency and creates a positive dynamic that is felt in and beyond the workplace.

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One of the most important measures taken by government to address South Africa’s future human resource needs was the Skills Development Act which requires the completion of skills audits, needs analyses and the adoption of skills development plans. While skills development plans are usually adopted, these are often generic and poorly implemented.

Work organisation in the Public Service remains hierarchical and innovation resistant. Future challenges relate to the adoption of more egalitarian, flatter structures and adopting modern, team-based work methods that have better results. The elimination of rank and leg promotions has left career paths undefined and makes the prospects for promotion and advancement unclear. Career pathing remains perhaps the major area for attention.

HIV/Aids threatens to place enormous pressure on the Public Service, both in terms of increasing demand for services while eroding its work force through increased absenteeism and increased mortality. A progressive and comprehensive Public Service policy has been adopted and promoted and its implementation needs to be promoted and closely monitored.

Decentralisation and the delegation of authority relating to human resource management to lower levels have in many instances overloaded managers. Where performance suggests it is necessary, consideration should be given to revoking these delegations until capacity to manage them properly has been built.

In order to improve integrated service delivery, mechanisms are needed to ensure more effective retention and utilisation of middle management and front line staff as well as possible mobility within- and between spheres. Recognition of excellence at these levels is also important. Professionals in the public service are critical to improving the state’s capacity to deliver.

Health providers, engineers and other professionals require specific strategies for their recruitment and retention. Different conditions of work and other innovative strategies may be required to ensure their availability to provide services to the public service.

Many lower level public servants continue to operate according to an outdated
rules-based culture that is citizen-unfriendly and which disregards Batho Pele. There has been little suffusion of the new principles and values at these levels and changing organisational styles and cultures has proved to be very difficult. It is these staff members who interact most with our citizens and the marginalised elements of our society and who should be contributing most to development.

The thread needed to link many elements of the public service management framework is that of performance management. While a basic framework is in place, it is not being implemented with the necessary rigour and as a result, individual performance often does not get properly assessed or linked to the achievement of institutional results. Consequently, improvement has not become a feature of public service workplace culture.

Workplace strategies that enhance productivity and effectiveness are needed. The use of strategies to improve productivity and professional work ethics (such as open plan seating arrangements and knowledge management processes) need to be seriously considered.

Performance monitoring, incentives, training and discipline are all strategies needed to improve the current situation. These need to be underpinned by a thorough skills development process led by SAMDI that empowers public servants and ensures that they have the skills they need. Implementation of Performance Management and Development systems needs to be prioritised.

**Strengthening state performance through monitoring and evaluation**

Assessing performance requires constant feedback from citizens, service users and partners so that policies and implementation practices can be improved. This makes a clear performance management framework essential.

Institutions at the centre of government need to take the initiative in developing an impact monitoring system for the whole of government. A national statistical system should complement and strengthen such monitoring by providing statistical data and shared technical definitions. This makes the fast tracking of the national statistical system essential for successful impact monitoring.

Statistical information in generally collected through a census or surveys. Such information tends to be collected periodically and is better suited to the measurement of outcomes rather than specific outputs. It is often not usable for the measurement of annual performance but is better used for assessing results over three to five year periods.

Clear governance and development indicators are needed to measure government performance. Statistical information on people’s quality of life and their relative opportunities is currently not readily or widely available.

Monitoring and evaluation of government programmes will allow decisions to be based on the best available information and makes the use of standardised impact indicators essential.

It is unrealistic to create a single, all-embracing whole-of-government M&E system. A more realistic approach should focus on the establishment of various government wide systems. Treasury, for example should focus on value for money, the Department of Public Service and Administration should focus on human resource utilisation, while the Department of Provincial and Local Government should focus on local government performance.

Clearly such an approach would involve each system having its own specialised areas of focus. Nevertheless, the various systems should be based on shared standards, definitions and classifications and care should be taken to ensure that they interact conceptually and avoid duplication.

The National Statistics System (NSS) and other monitoring and evaluation systems, such as the Public Service M&E System at the PSC are part of the solution and should be coordinated with other information sets and systems in terms of common concepts and standards.

It is also important that monitoring and evaluation become more utilisation-focused if it is to have the intended impact on state performance. Institutions such as the PSC are already involved in monitoring and evaluating performance. However, departments often do not seriously consider recommendations that do not involve public service regulations. There also needs to be a stronger link between individual and organisational performance assessments.

This means that managers must not only be assessed in terms of their areas of competence, but also in terms of project and programme results.

**Conclusion**

The first 10 years of democracy in South Africa have been exciting and intense. They leave an overwhelming sense of satisfaction, but transformation imperatives have also left the public service fatigued and stressed. Major and minor changes have created an uncertain environment and meant that institutional memory and skills have been hard to retain. The time has come to shift gears and consolidate the positive features of the emerging developmental state while addressing areas of deficiency.

**Endnotes**

2. Ibid.
3. The creation of a separate agency is under consideration and is an indication that the problems are at least recognised.
5. See for example, Public Service Commission, Report on the evaluation of the National Housing Subsidy Scheme (2003).
7. These can draw on good practices such as those found in the Department of Water Affairs and Forestry.
Managing developing cities in the 21st century is not an easy task. Managing a post-apartheid city that has to deal with the legacy of uneven development, spatial imbalances and inequity is even more complex and challenging. Because it is not merely a case of grappling with rapid urbanisation in the context of globalisation, one has to tread the delicate line of redressing historical imbalances while maintaining existing standards in a way that is both programmed and sustainable.

eThekwini in perspective: the progress

Over the past five or six years, with an interim and then fully-democratic local government in place, much has been achieved in eThekwini in keeping this balance between addressing the legacy of apartheid, whilst growing the city and competing on an international scale. Despite some of the major achievements so far, the city of Durban is filled with challenges and opportunities. Since the advent of liberation in 1994 it has, when it comes to issues of development, performed a balancing act: trying to create an enabling environment for private sector expansion, while at the same time ensuring the efficient delivery of services.

Our per capita GDP income of R19 943 pa is higher than that of South Africa as a whole, but far less than comparable middle-income countries. Unemployment levels are at 30-40% and since 1997 there has been a net loss of formal jobs of 1.5% per annum. This means we have lost around 40 000 formal sector jobs during this period.

In keeping with National Government’s policy on choosing a theme for every year as well as every month of the year in order to highlight a specific social issue, the eThekwini Municipality has supported this programme in various ways. MetroBeat, the magazine that is distributed with our electricity bill, is themed according to the specific month.

Each month the mayor raises his voice in a column on this topic, whether it be women’s issues in August; heritage issues in September or children’s rights issues in November. Our Community Participation and Action support unit plans events surrounding these themes and during these months councillors
take time to concentrate on them. *MetroBeat* is the only magazine of its kind in South Africa and in January this year we launched our own gazette, a popular paper which has a circulation well over 250 000.

**Economic and business development**

In recent times cThekwini has variously been identified as South Africa’s Best Global Competitor Location; the Best Managed City in Africa and the Most Significant Trading Hub in the Southern Hemisphere. We work hard on building a close working relationship between the cThekwini Municipality and corporate leaders.

Projects such as uShaka Marine World; the development of the Point Precinct; River Horse Valley Business Estate; the International Convention Centre Extension; King Shaka Airport; serious thinking around building a massive unity bridge and a mono-rail; and the establishment of various initiatives between national, provincial and our local government, will ensure optimisation and synergy in planning and economic growth.

The cThekwini Municipality has 22 markets throughout the city offering trading opportunities and entrepreneurial development. The Fresh Produce Market, the fourth largest in the country, recorded in 2002/2003 a turnover of R525 million and registered a significant milestone of earning a profit (after seven years) in excess of R5 million.

In developing uShaka Marine World the city invested around R700 million into what will be the largest theme park of its kind in Africa and among the top five in the world. The uShaka Marine World empowerment programme is a three-way partnership that has contributed towards the successful implementation of this project.

The Department of Labour provided R4 million for basic skills training in a range of competencies, e.g. carpentry, plastering, electrical, etc. Ninety percent of the workers will be absorbed as employees. Development Bank of South Africa provided a grant of R1.2 million for contractor development and some R1 million for the emerging contractor development programme. The funds have been set aside exclusively for black contractors and entrepreneurs. The European Union has also donated a further R400 000 toward the contractor development programme. These are but some of the ways we can grow the economy, empower previously disadvantaged persons whilst remaining globally competitive.

A Memorandum of Understanding between the City and the Port of Durban was recently signed with the goal of developing sustainable and pro-active planning and a co-operative framework for networking and partnerships. Job creation and economic development are always high on the list of priorities for all municipalities around the country.

When looking back at the past two-and-a-half years, the cThekwini Municipality has made significant strides towards this goal with several projects to showcase Durban as a major tourist and business location.

The city established Durban Investment Promotion Agency (DIPA) three years ago to facilitate sustainable investment in Durban for the benefit of all and this is expected to increase the
value of fixed investments, the number of jobs and the value of empowerment deals within the eThekwini area. The Agency is presently directly or indirectly involved in a multitude of projects with a total investment value exceeding R1.5 billion equating to approximately 1.16 million jobs. The agency also houses the newly established Durban Film Office.

**Integrated development planning**

In congratulating the eThekwini Municipality, the Chair of the KZN Provincial Integrated Development Planning (IDP) Forum commented that eThekwini's IDP could easily contend internationally as being one of the best-formulated strategic city plans. This assertion is well founded, as the IDP is the Council's strategic management tool that clearly and simply articulates the path to achieving a more developmental local government in the eThekwini Municipal Area.

The Council initiated a Co-operative Support Programme, which ensures that service delivery takes place in areas which were historically poor. This programme also has a mandate to create jobs and develop entrepreneurs. Forty-five cooperatives that have been formally established and contracted with the Council are undergoing training in business skills and will undertake projects on behalf of the Council. The projects range from grass cutting and building maintenance to solid waste management.

eThekwini’s Integrated Development Plan (IDP) acknowledges the challenge of service delivery within a context of uneven development — a third of the city's residents live in informal dwellings and over a third of its working population is unemployed.

In addition to this, Durban’s population also has high levels of HIV/AIDS infection. In spite of this, we have managed to deliver more homes and extend basic services, including primary healthcare facilities to more households than any other city in the country. All this with a positive cash-flow balance sheet — the only municipality in the country to have done this.

In the IDP, Area Based Management (ABM) is primarily defined as an institutional mechanism through which the delivery of services can be focused within key areas of the city. It is intended to enable integrated implementation, provide opportunities for experimenting and learning and mobilising city resources towards more effective delivery in these learning areas.

Five ABM areas have been identified which present different challenges for integration and local problem solving as they typify varied spatial, social and economic scenarios. They are the Cato Manor Development Association and the Warwick Junction projects, where eThekwini together with the European Union are expanding the piloting of ABM. The others are iTrump (based in the inner city); the Southern Basin (the largest manufacturing base in the Metro); INK (Inanda, Ntuzuma and KwaMashu) and the Rural Areas (because of the new challenges they bring to the Metro in terms of delivery).

Environmental Management is an important contributor to the sustainability of the municipality. Key areas of intervention include effective management of natural open space areas, mainstreaming Environmental Impact Assessments as part of the development approval process and developing effective policy to deal with the range of environmental opportunities and issues.

Some statistics include:

- Over the last three years 6 092 building plans approved; 1 867 occupation certificates issued; R2.5 million spent to secure 160ha of natural environment;
- 1 729 jobs created through support in auto, ICT, textile, furniture, and construction.
- Over the last 10 years 20 sports fields were created and 12 auxiliary sports facilities constructed.
- Since 2000, 57 537 emergencies were attended to; the vast majority being bush/grass fires, averaging 39 call outs every day.
- In the ten years prior to 1996, only around 700km of water pipelines were laid but in the last six years almost 5 000km of pipeline have been laid.
- In the 60 years prior to 1996, around 250 000 households got access to electricity. Since then an additional 270 000 households have got access.

The Five Year Integrated Development Plan led to this eight-point plan that sums up our City strategy:

- Creating sustainable economic growth and job creation, as well as building strong and vibrant local economies.
- Regenerating existing residential areas to ensure a higher quality of life for all citizens.
- Balancing new development with renewal and maintenance.
- Mainstreaming our co-ordinated responses to crime, HIV/AIDS and poverty alleviation.
- Focusing and integrating delivery to maximise impact on job creation and poverty.
- Developing a financial strategy to balance development expenditure with a strategy to grow income.
- Maintaining the ecological integrity of the City.

The following elements are key to this strategy:

- Support and promote local business through targeted procurement, training and skills development, buying local products and services, infrastructure support and facilitation between sector players.
- Develop flagship projects that can act as catalysts for development within the Metro area.
- Integrate agriculture and agribusiness into the economic agenda of the Metro.
- Again, some statistics include:
  - 100 000 housing opportunities provided in the last 10 years and 25 000 units under construction.
  - 54km of road upgraded.
  - 80.7km of new road networks constructed.
  - 71km of new sidewalks created.
  - 10 years ago, solid waste service covered 65% of households. Three years ago the service covered 80% of households. Current service levels are at 90%.
  - Since 1994, 98 933 new water connections were metered in the areas incorporated into the municipality.
  - 2 525km of water mains installed since 1994.
  - Some 212 834 poor families receiving free basic water each month.
  - 18 200 street lights installed over the past 10 years.
- In terms of contributing to economic growth we are focusing on:
  - Improving, expanding and marketing
the tourism product to further increase tourism to the region.

- Aligning the business planning of the city’s enterprises (DIPA, ICC, Durban Africa) in line with the economic objectives of the city, i.e. “Let’s all sing out of the same hymnbook.”
- Creating spatial certainty within the Metro to guide economic development.
- Providing support and incubation of growth within the economy.

In order to do this we have aligned our management structures so that they accord with the IDP. This has meant the establishment of the Office of the City Manager, fully staffed with an Information and Policy Unit, audit offices, an independent ombudsperson and a unit to champion international and governance relations providing strategic
support and guidance to the management team and the rest of the organisation. We are now a more strategic, customer-focused and developmental organisation.

**Partnerships**

Without the involvement of all stakeholders in the Metro, success in creating a vibrant and exciting city will not materialise. A driving force of the IDP is the focus on the stimulation of citizen and community action in partnership with the municipality in delivery.

In line with this, partnerships between the municipality and the business sector have been developed and grown as well as working relationships between the Metro and the tertiary institutions in the city as well as with the local Chamber of Commerce and Industry.

The Business Support Unit was established in December 2002 to provide integrated business support services to existing and potential businesses to enable them to participate in income generating activities. We are striving to become a smart city and have realised that those who don’t have access to electronic means of communicating will suffer in the long term, thereby perpetuating the marginalisation of large sectors of our community. At present we have two projects underway to address this issue.

**Public transport**

A strategic management decision was taken during this term of office to radically restructure the city-owned bus company because of two main reasons: an ever-increasing subsidy burden on the city and the need to give up direct ownership of the bus company to enable the formation of the eThekwini Transport Authority. And yes, another first. eThekwini has just established the first Transport Authority (TA) in the country according to provisions of the National Land Transportation Act 2000. The main aim of the TA is to pull together all the existing fragmented responsibilities in transport under one controlling body at local level in order to ensure customers the best service possible.

**Financial management and control**

We are also proud of our very effective auditing system that has ensured internal control over the past two-and-a-half years. The effect of this has contributed greatly to the excellent credit rating of our municipality and our stringent and transparent corporate governance. The Auditor General reports that for the past five years the annual financial statements have been submitted within the stipulated timeframe and has commended the Treasury cluster for this. The Auditor General’s reports for the past five years have been issued without qualification, thus indicating a clean bill of health for the municipality and a very favourable credit rating. In addition the eThekwini Municipality enjoys a credit rating of AA from the Global Credit Rating Company (GCR).

With effect from 1 July 2001 Council embarked on a common rates policy for all entities resulting in one common rate randage that became applicable to all properties within the EMA, achieving one city, one tax base.

**Improved service delivery**

As part of our mandate of improved service delivery, we have installed Call Centres to deal with citizens’ frustrations with various departments within the municipality. These Call Centres will ensure that highly trained agents assess information, answer customer queries, record requests for service and ensure that they are actioned immediately.

An Information and Communication Technology (ICT) Hub called Smart-Xchange has been established in partnership with the Durban Institute of Technology, ISETT, Siemens, Business Connection and the Department of Trade and Industry. The core business of the hub is to address the shortage of ICT skills in the province.

As a result of the establishment of a full-time, staffed Office on International and Governance Relations, the eThekwini Municipality has been able to co-ordinate its efforts relating to international liaison, especially regarding partnerships which have been entered into with key international agencies and cities.

The Sustainability Best Practice Portfolio was developed as part of its Durban Local Agenda 21 materials on sustainability. It showcases projects where the municipality has been a partner. According to Mayor Obed Mlaba: “These projects have set the city firmly on the path to sustainable development and have helped establish eThekwini as a world leader in this field”.

eThekwini is developing a safer city with the establishment of a single unified Metropolitan Police Service and a Safer Cities Stakeholder Forum. In partnership with UN Habitat we are implementing the eThekwini Municipality Integrated Safer City Crime Prevention Strategy after the Safer City Conference held in Durban from 25-28 November 2003.

The innovative approach of Durban Solid Waste (DSW), the municipal cleaning arm, has transformed formerly unkempt, litter-strewn areas in to some of the cleanest lower-income suburbs. Instead of just extending its existing structures, DSW took the opportunity to devise an innovative strategy that would bring high quality cleansing to the residents of the “new suburbs”. At the same time the explicit aim was to ensure that the economic benefits of the service were located in the communities themselves. In line with fostering the growth of African entrepreneurship, DSW decided to contract out the work to community members.

eThekwini Health ran a pilot project to deepen community empowerment and this led to the development of 10 co-operatives to manage vectors in the townships and rural communities. One hundred indigent community members from Ntuzuma, KwaMashu, Inanda, Newlands, Umzeli and Mayville were identified and trained.

To address the Aids pandemic eThekwini Health expanded its services by recruiting, training and networking with volunteers who educate and provide Aids counselling to communities. As part of the Government’s agenda, we have expanded Voluntary Counselling and Testing Programme (VCT). This service is now available at 70% of all our clinics. There are also 12 NGOs that offer VCT and are supported by eThekwini Health.

eThekwini has been instrumental in engaging in positive partnerships with traditional healers resulting in the formation of the Association of Traditional Healers. One of the successes of this partnership is the Herb Bridge Market, which services 549 stallholders.

Delivery is where eThekwini shines. At
present 82% of our population has access to a safe basic water service. More than 70% has access to waterborne sewage and 75% of low-income households have access to free basic water services.

**Housing**

Historically housing was not seen as a basic human need but was used as an element of control within a policy of racial separation. This ideology has impacted deeply on service delivery and living standards. While there has certainly been transformation and equity in the provision of service delivery, there are still many challenges like scarcity of affordable land, lack of affordable credit facilities for low-income households and the extent of the housing backlog to name but a few.

During the past few years, eThekwini has managed to win the following housing awards:

- Impumelelo Innovations Award for its Informal Settlement Programme 2001.
- Institute for Housing of SA Awards for 1999, 2002 and 2003 for the provision of sustainable housing environments and it approved 3,132 subsidies, completed 170 projects and delivers 160,000 housing opportunities annually.

The Informal Settlement Programme (ISP) represents the Council’s proactive approach to addressing the informal settlement challenge and it is the first known comprehensive programme established for informal settlements at a metropolitan scale, i.e. covering 50 settlements and over 220,000 dwellings.

**Electricity provision**

eThekwini Electricity has long been the leading municipal distributor in South Africa supplying well over 10,000 GWh of electricity per annum to over 556,000 customers within its area of supply. These figures have shown consistent growth over the past few years with real growth in energy sales being over 3% in the 2002/2003 financial year.

The total arrear debt at the end of July 2002 was R94,3 million and this has now been reduced to R67,6 million. A significant contributor to this reduction was in the consolidated billing system that was started last year.

eThekwini was the first municipality to implement the self-targeted free basic electricity service in accordance with the national policy. The electrification drive saw approximately 25,000 new prepayment connections made in the past three years as part of a bold initiative to uplift local communities. During the hour of need, when limited resources were available, eThekwini Electricity bundled cables overhead. This led to the development of a new overhead service cable of split concentric design, which has now become the norm in South Africa.

This innovative process is as reliable as underground cables; moreover, it is cost effective. It is also difficult to tap for illegal services. This A-team also pioneered the use of the first pre-paid meters and contributed to the development of national standards for prepayment meters.

In 2000 and 2001 eThekwini Electricity won the prestigious Electricity Supply Industry Excellence Award (Gold) for the Best Municipal Electricity Distributor.

**Conclusion**

It is clear that the most important issue facing all local governments in South Africa is getting rid of poverty and stimulating economic development. Without development, cities will continue to struggle to provide for their inhabitants. When reflecting on the achievements made by the eThekwini Municipality and Council over the past two-and-a-half years, it is evident that great strides have been made, both on the social development front as well as creating an enabling environment for business.

We have worked hard and honestly. We are confident that we have laid the foundations for a strong platform of good governance, not just for now, but also for the future. We have formed strong, vital partnerships to secure our city, to fight HIV/AIDS, to push back the frontiers of poverty and to improve our environment. Having been selected as one of Africa’s seven NEPAD cities, we are proud to lead the way to ensure that all the cities on our continent are on the sustainable development path. We can look forward to the future with confidence in our people and in our city.
If Government is to effectively serve citizens, it needs to hear them and to work with them.

When a democratic government assumed office 10 years ago, it was widely assumed that technical constraints would be the key obstacle to governing effectively. Inexperience in governing and skills shortages created by apartheid education were, it was assumed, certain to ensure that democratic government’s chief hurdles would be a lack of capacity to perform managerial and administrative tasks. That was not quite how events turned out.

The constraints and limitations

Certainly, the technical constraints have posed a challenge. Government capability has been limited not only by the experience and skill deficit but by a high staff turnover rate which continues to pose a severe challenge to effective government. Skills are often distributed very unevenly and provinces, particularly those without access to metropolitan areas where formal education tends to concentrate, usually suffer the worst shortages.

Nor are these problems restricted to public officials responsible for policy implementation. Contrary to a conventional wisdom which insists that the problem with post-1994 government has been that sound policies have been implemented by incompetent officials, research into the gap between policy formulation and implementation has pinpointed several weaknesses in policy itself which help explain why intention has often not become reality. These include:

- excessively ambitious goals which lead to a failure to match policy to capacity — or to a realistic plan to create the needed capacity;
- inadequate prioritisation and costing of policy; and
- a failure to undertake risk analysis which would highlight the potential obstacles to implementation.1

Unexpected consequences

Despite this, the expectation that management and administration would be the greatest difficulty have not quite been realised. The figures of houses, water and electricity connections delivered, as well as all the other numerical evidence of government “delivery” since 1994 are repeatedly cited, most recently in the Towards a Ten Year Review document 2.

These clearly are achievements which should not be belittled, particularly in the light of the capacity constraints which faced the new government in 1994. But it...
has been the impact — or lack of it — of what has been done, the frequent inability of more facilities reaching more people to produce quality in the life of citizens or to bring our society closer to its goals, which has been the problem.

The Review notes, for example, that even though service delivery and social grants are reaching many more people, "poor people and the social fabric that ensures their survival continue to be vulnerable" — and that, despite successes in macro-economic policy, changes in investor attitudes are "yet to translate into significantly increased employment and consequent poverty reduction".

The reason has as at least as much to do with the relationship between government and citizens as it does with a shortage of experience and technical skills.

That the government-citizen relationship is crucial is acknowledged by the Review which notes that "the government needs to make use of and participate within ... social networks ..." — and that "crime will not be significantly reduced without the involvement of ordinary citizens".

Perhaps most significant of all is its finding that "the government’s successes occur more often in areas where it has significant control and its lack of immediate success occurs more often in those areas where it may only have indirect influence". The Review goes on to note that, where government objectives depend on the behaviour of civil society organisations or individuals, including those in the public service, success is often limited and outcomes not those which were desired.

**With, not for, the people**

The key point underlying these findings is that governing is not simply a matter of getting management systems right and recruiting people with the needed technical skills.

It also depends on the co-operation of citizens which is unlikely unless those who govern have an adequate reading of the political interests aligned in support of or in opposition to a policy: the research mentioned earlier also notes that implementation is obstructed by policymakers’ failure to calculate the political consequences of particular policy options and the likely impact of these on people in society, particularly at its grass roots.

Government cannot be everywhere and so it cannot rely purely on its own instruments to ensure that people comply with law and policy; it has to persuade citizens to co-operate.

This point is particularly relevant when government has a developmental agenda — when it is seeking to enhance capacities in society rather than simply managing what exists. Because development depends on the energies of citizens, governments cannot successfully command it, nor can they achieve it by enhancing the technical capacity of public administration.

It has become common to point out that no government has ever been able to command the wealthy to invest. Similarly, government cannot command citizens to grow. For these tasks, a partnership between government and citizens is essential.

Active citizen participation in the issues which concern government is also a crucial means of ensuring the required governing effectiveness because citizens are able to highlight failures in implementation and to point the way to remedies. States cannot govern society unless they are able to “see” and “hear” it. Active citizens are the eyes and ears of the state, enabling it to navigate itself successfully around society.

The key weaknesses of the last ten years have, therefore, been a result of the new democratic state’s limited success in seeing and hearing those in our society who are essential if government is to achieve its goals.

In relations between government and society, two problems limit effectiveness. The one, as noted above, is that policy and official decision-making often fail to take adequate account of likely resistance and ways in which this may be countered.

Education is a useful example: when the second post-apartheid government took office in 1999, the Minister announced that the time for negotiation with teachers’ unions — and, by implication, other stakeholders — was over as the government had an appropriate set of policies and the task was now to implement them: almost immediately, the Minister found himself facing a range of political pressures from across the spectrum which forced him to rethink his strategy.

The Minister was merely expressing a view which was central to government’s perspective at the time. But, in a democratic society, the need to negotiate policy implementation with citizens’ groups never ends: the more both policy and implementation plans take into account the permanent need to negotiate policy with those who resist it and whose cooperation is essential to implementation, or to form alliances to outflank them if negotiation is impossible, the more likely it is that the government will realise its goals.

**A willing-to-serve and motivated public service corps**

As the Review notes, this is evident not only in relations between the state and society: it begins with limited success in ensuring that public servants do that which they are meant to do — that some still do not is illustrated by the President’s 2004 State of the Nation Address and its complaint about “pen-pushers and guardians of rubber stamps” in the public service.

Too often in the past ten years, government plans and policies have failed to take into account the fact that they must be implemented by public servants and that the process of winning understanding and enthusiastic support for government goals from its officials is itself an important task. Where plans fail to take into account whether officials are willing and able to implement them — and how to persuade them if they are unwilling — then they are unlikely to achieve the desired outcome.

Difficulties in retaining skilled people in the public service itself seems to be a consequence of a limited ability to “see” and “hear” what is motivating public servants. While resignations from jobs are usually assumed to be a result of pay levels, the public service is unlikely to be able to compete with business in the pay it offers and so it seems likely that people do not choose public service because they hope to grow rich.

They may, therefore, be leaving because they feel that they are not getting what they expected from public service. As in the non-profit sector, retention strategies must be based on an accurate
reading of what competent senior officials want from their jobs. If that information is unavailable, the skills drain is likely to continue.

**Delivery as an ideology**

There is a wider point to be made here. At times during the past decade, governing seems to have been driven by an “ideology of delivery” which has almost certainly impaired the government’s ability to deliver. Government’s desire to give citizens what they want is not a problem. But, when “delivery” becomes a substitute for listening to and working with citizens because “getting things done” is seen as more important than seeking citizens’ views of what must be done and how, then the ideology of delivery becomes a means of forgetting how much government depends on citizens to set its priorities and to gain the co-operation it needs to implement its goals.13

Even an overwhelming victory at the polls for the governing party cannot be taken as evidence that government has citizens behind it when it embarks on a policy course. The fact that people have voted for a party does not necessarily mean that they support its policy choices. Governments often must react to events which were unforeseen during elections and which could not therefore have been put to voters.

Parties also approach voters with a package of policies; voters will support a party because they feel close to it, not because they endorse any particular policy.14 Winning an election is therefore no guarantee that citizens support a particular policy which a government wants to adopt.

It is also important to note that, despite the governing party’s overwhelming victory in the 1999 election, once we take account of the percentage polls and the proportion of citizens registered to vote, more than half of adult citizens did not vote for it.15 This does not mean that the government lacks legitimacy — it won an overwhelming share of the votes cast. But it does mean that most citizens cannot be automatically assumed to support government plans — their support for policies and programmes must be won by government.

Interests and organisations in society, if mobilised, can support government objectives by reaching places in society where it cannot go. Thus one of the successes of the past five years has been the campaign to extend social grants to as many of those who are eligible as possible.16 It has relied on mobilising a range of civil society organisations to identify or locate people eligible for grants and to persuade them to apply and this is why the grants now reach many more people.

By contrast, our ability to address HIV/AIDS has been greatly hampered by the fact that a range of actors — medical professionals and activists, for example, who are essential to a successful fight against the virus — have not been drawn into a partnership with the government. As long as citizens are regarded as passive recipients of “delivery” rather than active participants in shaping priorities, government effectiveness is likely to be limited.

A second problem limiting the impact of government is the lack of voices among the poor which prevent many of our citizens holding government to account and ensuring that it represents their interests. This weakens policy-making and implementation.

**The voiceless poor**

On the first score, policy-making, the evidence that the poor — at least two in five South Africans — lack a voice is the frequent gap between policy and the preferences of the poor. Thus all our key stakeholders negotiate ways of bringing mortgage finance to the poor, only to discover that poor people do not want mortgages.17 Or mass electrification plans assume that the poor will abandon other energy sources when they receive electricity only to discover that they do not.18 Or it takes almost a decade of democracy for policy to acknowledge that social grants are the poor’s chief form of defence against poverty.19

These gaps exist despite the resort on occasions to forums or to public participation exercises to discern the views of the poor — not surprisingly, since these channels are invariably accessible only to those who are organised and the poor are not organised.

The mortgage policy was negotiated by political parties, trade unions and the civic movement, none of whom were aware that they were seeking to “deliver” something which the poor did not want. Policy which does not meet the needs of those for whom it is devised will obviously fail to meet its goals.

Even the use of the term “the poor” can illustrate voicelessness if it implies that poor people are all poor for the same reason or that all poor people hold the same views. Neither is true and so it is more accurate to talk about the need to hear the voices of the poor rather than a single voice.

The lack of voice for the poor also affects implementation of law and policy. Any government has a wide range of tasks and some implementation activities will receive priority over others; which ones receive priority will depend on whose voice is heard. Since the poor do not exercise voice in our society, their implementation priorities often are forced to take second place. To illustrate this, contrast the time and effort spent trying to improve suburban police stations rather than those in areas where the poor live, or how little attention is paid to conditions in pension queues, a prime concern of the poor.

“Pen-pushers and guardians of rubber stamps” are likely to find little incentive to change unless they are pressed by citizens to do so — and they are unlikely to be responsive to poor people unless the poor make them respond. Thus, while Batho Pele is an appropriate slogan for a government concerned to serve citizens, until the phrase moves out of the “insider” circuit and becomes a slogan which citizens know, and, more important, one which they also understand as an invitation to activism aimed at insisting that public servants put them first, the attempt to ensure that officials put the people first may be largely ineffective. Batho Pele is likely to be most effective if it becomes a widely recognised invitation to citizen involvement, not purely a message from some people in government to others in the public service.

**Seeking a remedy**

What can government do about a lack of voice for the poor?

It cannot and should not try to establish artificial vehicles for the poor to express themselves. Forums, it has already been noted, do not offer a voice for the poor and it is authoritarian gov-
ernments which create organisations for citizens — democratic governments leave that to citizens themselves. But government can create opportunities for the poor to exercise their voices.

Our three representative spheres of government can become more responsive to the grassroots poor: no new formula will achieve this — it requires, rather, a change of approach by those who are elected, one in which they insist on seeking out the voices of the grassroots, not only those of people who claim to speak for them.

Public servants can adopt two strategies which might ensure that voices of the poor are freely expressed.

The first is to inform citizens at the grassroots of issues and plans which affect them — in a way which allows them to choose a solution. This not only means more vigorous attempts to inform citizens — it also means that, where possible, the purpose should not be to tell people what government has already decided but to give them a choice. And, if that choice is to be real, it is essential that government officials explain options in ways which leave as much as possible to citizens to decide rather than “selling” their preferred option.

The second change in approach would be needed if citizens at the grassroots insist on using that information to express their wishes. In that case, government would need to take them seriously by engaging with them, whatever method they use to approach it. If government is to build an effective partnership with citizens, it cannot decide for them how it should be approached. As long as citizens remain within the law and the constitution, they should be encouraged to choose their own ways of bringing their concerns to the government’s attention.

Finally, while associations expressing the voices of the poor are not visible, we do know that there are a great many organisations at the grassroots which bring the poor together for practical tasks, such as dealing with HIV/AIDS or generating income.

Some may not exercise voice not because they have chosen not to but because they have no contact with government and other key institutions in society and therefore have no means of making themselves heard. An attempt by government to seek them out and invite them to express preferences may go some way towards building means for the voices of the poor to reach government ears.

Conclusion

There is much of which government may be proud over the past decade. But, to state the obvious, much needs to be done. Seeing partnerships with citizens as an asset and recognising that the free and vigorous expression of citizen voice, particularly by the poor, is a crucial element in the search for effective government, are keys to a government able to tackle the tasks our circumstances have set for it.

Endnotes

1 See Steven Friedman The Problem With Policy
3 Policy Co-Ordination and Advisory Services, The Presidency Towards a Ten Year Review
4 Pretoria, Government Communication and Information Service (GCIS), 2003 pp. 10ff
5 ‘Ten Year Review’ p. 31
6 ‘Ten Year Review’ p. 79
7 ‘Ten Year Review’ p. 9
8 ‘Ten Year Review’ p. 56
9 ‘Ten Year Review’ p. 75
10 Friedman Problem
12 For an analysis of how states try to ‘see’ and how they sometimes blind themselves in the process see James Scott Seeing like a state: how certain schemes to improve the human condition have failed New Haven, Yale University Press, 1998
14 Thabo Mbeki State of the Nation Address of the President of South Africa, Thabo Mbeki, Houses of Parliament, Cape Town, 6 February 2004
15 Patrick Heller “Technocratic creep” threatens local government reform” Synopsis 4.1 Johannesburg, Centre for Policy Studies, 2000; Steven Friedman ‘Who we are: voter participation, rationality and the 1999 election’, Politykon, Johannesburg, 36(2), 1999
17 It won some 66% of the vote. The percentage poll was 89% and the official registration figure was 75% of eligible adults. This means that 44% of adults voted for the majority party. Friedman ‘Who we are’
18 For evidence of success see ‘We need more details about the planned centralising of grants’ Business Day 10/2/2004
19 Mary Tomlinson, From Rejection to Resignation: Beneficiaries’ Views on the Government’s Housing Subsidy Scheme, Johannesburg, Centre for Policy Studies, 1996; Mary Tomlinson Mortgage Bondage?: Financial institutions and low-cost housing delivery, Johannesburg, Centre for Policy Studies, 1997
Ten years of transforming Education Service Delivery

MaLele PeTje, the Chief Executive Officer of the Gauteng Department of Education, looks at the highlights and the lowlights of the transformation of our education system over the past decade – and further raises challenges ahead of us.

South Africa’s first democratic government inherited a deeply fragmented social system that was divided along racial and ethnic lines. The system was intended to reserve opportunity for a small minority of South Africans while denying the overwhelming majority access to these prospects.

A number of officially sanctioned practices influenced education development prior to 1994. Two policies influenced the structure of the education system during the apartheid era. The first, the Bantu Education Act of 1953, stipulated that blacks would not be over-qualified for positions not envisaged for them. The second, the National Education Policy Act of 1967 promoted a racially and culturally segregated and differentiated education system based on the ideology of Christian National Education. The result was 18 different education departments in South Africa, four of which were in Gauteng.

The first challenge faced by the democratically elected government was to create a single amalgamated and integrated education and training system.

In 1994 the education system was restructured to address the geographical, political and occupational needs of the country more effectively. Today we have a single National Department of Education and nine provincial departments. The National Department of Education coordinates education at the national level. The provincial departments are tasked with delivering education in accordance with national education policy.

While there is one national and nine provincial departments, education in South Africa is unified. The national department and all nine provincial departments pursue one national political and policy agenda intended to address the inequalities resultant upon the previously differentiated education systems, resourcing and quality.

Other issues facing the department in
1994 were the challenges of out of school youth, the marginalised sectors of learners with special educational needs, adult illiteracy, high retention and drop-out rates, poor grade 12 examination results and a disjuncture between the education and skills needs of the individual, the economy and the education system.

Consequently, the main thrusts of the education department at the time were to address these issues through developing and establishing:

- an integrated education and training system that would (a) provide equal opportunities to all, without any form of discrimination, and (b) develop knowledge and skills that can be used to produce high-quality goods and services to enable the country to develop its cultures, society and the economy;
- a new learning and qualification framework through the establishment of a statutory South African Qualifications Authority responsible for accreditation, certification and the maintenance of national standards;
- a new national human resources strategy based on the principles of democracy, non-racism, non-sexism, equity and redress to avoid the pitfalls of the past;
- industry-based sector education and training authorities with broad representation to design and implement learning programmes within industry;
- structures of institutional governance that reflect the interests of all stakeholders and the broader community served by institutions; and
- statutory bodies, based on appropriate democratic representation of stakeholders, to establish standards and advise the national ministry and members of executive councils on policy and development programmes in education and training.

These objectives could only be realised through the dismantling of all discriminatory laws inherited from the apartheid regime and replacing them with new ones that would ensure that all South Africans could enjoy all of the freedoms and opportunities in our country. This also meant the re-conceptualisation of education service delivery.

Thus the first years of our democracy were characterised by the passing of a host of new laws planned to achieve these ideals and the establishment of an education system geared for transformation. Many new laws, both national and provincial, were also passed to change our education system.

The most important change in education was the declaration of education rights in the Constitution of the Republic of South Africa (Act 108 of 1996). The sections of the Constitution that are particularly applicable to education are those of Equality, the Rights of the Child, Access, Equity, and Redress.

Equality

“The state may not unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gen-
der, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth.” [Section 9 (3)].

A public school is the property of the State, and is bound by the same law. Although not contained in the Constitution, discrimination on the basis of HIV/AIDS status should also be prohibited, because of the current prevalence of the illness.

This stresses the right of the child to be protected against unfair discrimination of any kind in schools.

Children

“A child’s best interests are of paramount importance in every matter concerning the child.” [Section 28 (2)].

This is intended to show that all educational policy must be ultimately intended to promote the education of the child.

Education

Everyone has the right:

a. to a basic education, including adult basic education; and

b. to further education, which the state, through reasonable measures, must make progressively available and accessible. [Section 29 (1)].

Everyone has the right to ... education ... taking into account:

a. equity;

b. practicability; and

c. the need to redress the results of past racially discriminatory laws and practices. [Extract from section 29 (2)].

The development of the education legislation – mandates for service delivery

The first step in the mediation and interpretation of the Constitution in terms that can give effect to its vision was the writing of the first White Paper on Education and Training of 15 March 1995. This was the first policy document on education and training by South Africa’s first democratically elected government. It covers policy for the whole spectrum of South African education and training in the post-1994 era and includes, inter alia, Adult Basic Education and Training, Further Education and Training, Early Childhood Development and Education for Learners with Special Education Needs.

White Paper One, on one level, was the precursor to a succession of White Papers, each of which was narrower in focus. These white papers are:

- White Paper Two: The Organisation, Governance and Funding of Schools (February 1996).

White Paper Three deals with Higher Education and thus falls outside the sphere of a provincial education department.

On another level, many of these White Papers were the predecessors of education legislation. Thus many of the policies of White Paper One and White Paper Two found expression in the (Gauteng) School Education Act (Act 6 of 1995), the South African Schools Act (Act 84 of 1996), the Adult Basic Education and Training Act (Act 52 of 2000) and the many regulations and notices made in terms of these acts.

The issues of access, equity and redress are addressed extensively in these three acts.

Subordinate legislation and policy at national level, specifically the National Norms and Standards for School Funding and the Exemptions of Parents from the Payment of School Fees, both of 12 October 1998, also address these issues. At a provincial level, Gauteng published Regulations for the Admission of Learners on 13 July 2001 to ensure that access, equity and redress are adequately provided for.

The commitment to deepening democracy in institutions is also addressed in the (Gauteng) School Education Act (Act 6 of 1995), the South African Schools Act (Act 84 of 1996) and the Adult Basic Education and Training Act (Act 52 of 2000).

At the level of the province, Gauteng has published subordinate legislation and guidelines on governance matters. The Regulations and Rules for Governing Bodies of Public Schools, the Determination of Minimum Requirements of Constitution and Standing Orders of Governing Bodies of Public Schools and the Determination of Guidelines for the Establishment, Election and Functions of Students’ Representative Councils were all published on 24 March 1997. The Guidelines document on learner councils is in the process of being converted into a provincial Policy and Notice.

The policy outlined in White Paper Four has been translated into the Further Education and Training Act (Act 98 of 1998).

White Papers Five and Six have not made their way into legislation, although Gauteng has used White Paper Five for its own Transforming ECD in Gauteng: Early Childhood Development Policy (September 2001).

Analysis of the nature of the legislation will reveal that South African education law is intended to achieve three objectives that, in many respects, are interconnected: decentralisation; delegation; and school autonomy.

Decentralisation

The decentralisation of the education system is entrenched at one level, in Schedule 4 of the Constitution, which states that education at all levels except Higher Education is a concurrent national and provincial competence. In essence therefore, the national and provincial departments of education have an equivalent competency to legislate, manage, administer and legislate education provided that national law and policy takes precedence over provincial law and policy where there are inconsistencies. At a second level, the funding of public education is at the discretion of the provinces in terms of the National Norms and Standards for School Funding, mentioned earlier.

Delegation

Delegation in the education system are also evident at various levels. At one level, the principals of institutions have been delegated many functions by the Head of Department (Chief Executive Officer) of the Gauteng Department of Education. Principals of institutions have been delegated powers which make them fully accountable for the manage-
Challenges in the first ten years

In 1994, we experienced great excitement in education and at the same felt daunted by the task of having to construct a new education system that would deliver a quality education to all. From the outset we faced the challenge of building a single non-racial, non-sexist and representative education department with a provincial legislative framework for Education that had to be consistent with the national framework and more importantly consistent with the policy vision and transformatory policy of the ANC.

From the outset we knew that partnership for change was needed and that meant commitment from everyone. In education it meant commitment from the family and wider community, the NGO sector, policymakers, from those working in the education departments and all the teachers. We also knew that in transforming education, we would have to seek the widest possible consultation in policy formulation and ensure participation in planning and implementing our programmes to achieve our goals of transformation.

The key education challenge was to ensure access to quality education becomes a reality as a means to overcoming social and economic disadvantage. It meant we had to invest in our human capital in this age of information. We must unlock the potential of every young person to compete in a global economy, to live in a civilised and free society and to develop the talents of everyone.

We also faced the challenge of lifting the morale and motivation of all those who work in our institutions and offices. We also had to create the belief that we were going to turn education in Gauteng around.

While we believed that resources are not the solution to delivering transformation we did recognise that an end to cutbacks in education and a commitment to supporting best practice are crucial to success. This has and is evident in the expenditure patterns and in relation to the MTEF projections.

Improving administration, management and service delivery

Government succeeded in doing away with apartheid education departments and racially segregated service delivery by successfully establishing a single non-racial education department where South Africans of all “races” serve all of our children. The education departments for the first time established a representative leadership structure in education. Administrators of all races were appointed to serve all schools equally and justly.

Education departments established a decentralised and responsive district system of educational management that was designed to provide that best education and professional support to learners, teachers and schools. These services included curriculum support to learners, teachers and institutional development and support services to school governing bodies and school management teams.

Most education departments have had to reorganise themselves at least once in the last ten years, after their initial establishment to address the changing environment driven by legislative and curricular changes. Most departments engaged in systems reengineering to improve efficiency and effectiveness of department. This resulted in improved service delivery and most departments achieved the following successes:

• improved salary payment and management systems;
• improved contract management;
• improved support to school management;
• improved management of adult learning centres;
• improved curriculum management system;
• improved Senior Certificate exam delivery;
• improved education management information system that is supporting education planning and provisioning; and
• improved information infrastructure in relation to institutions.

Most departments have also successfully improved communications with stakeholders and the general public. Most departments have launched a website that contains substantial information of the departments, policy matters, statistics and resources for teaching and learning. The departments present quarterly reports on the educational services, it publishes annual reports that is sent to all schools and is available to the public and most departments publish a newsletter for staff.

**Improving professional services**

The key challenge for departments was to ensure equal access to professional services that were not equally provided prior to 1994. Most departments have successfully designed new support systems and are continuously improving its capacity to deliver quality support services. These days we find that schools and teachers are increasingly inviting departments to provide professional advice and guidance on a range of educational matters. The following achievements highlight the success achieved over the last ten years:

• extensive support to teachers in the classroom;
• increased access to professional health staff and social workers by previously disadvantaged learners;
• increased access to library materials by previously disadvantaged schools including mobile services in some areas;
• increased number of leadership programmes to SRC members;
• increased assessment support for internal examinations; and
• increased support and training to school governing bodies.

**Stabilising schools and schooling**

Prior to 1994, education was faced with continuous learner and teacher strife. This resulted in persistent protest action that disrupted education on an ongoing basis. In most provinces the education environment has gradually stabilised. The number of marches and disruptions experienced is almost nil.

A point to note is the pattern of greater parental involvement, without school learners, in marches and delegations to the department on matters affecting the school.

The majority of schools have signs of improved cooperation among all stakeholders. Incidences of the expulsion of principals by teachers and teachers by learners are unheard of in most provinces. In cases where there are problems, these are being managed with the assistance of the provincial department.

Another important point to note is the greater semblance of normal schooling patterns. More and more schools are adhering to normal school hours, the practice of “bunking” particular lessons during the school day is decreasing. Teacher attendance has improved and is being closely monitored.

There is action taken against educators who are grossly negligent. In addition the SGB and SRC development programmes that are provided by the departments have promoted the development of school-based codes of conduct both for learners and educators.

Most school management teams have received training in school development which is the basis for planning school improvement and effectiveness. Intensive work has been done on school-based management.

Most departments have provided extensive training programmes on financial planning and management for schools to support the implementation of the National School Funding Norms and Standards regulations.

As a result we have seen greater involvement of schools in the selection and ordering of textbooks, increased interaction between district management and schools and schools are adequately resourced to deliver the curriculum.

**Access**

Over the past ten years, the department has experienced substantial growth in the number of learners in the system. There appears to be a substantial decrease in the dropout rate of learners and out of school children of school going age.

Clear admissions policies that promote access to education are in place. The departments have committed themselves to increased support to parents in relation to the placement of learners in schools. Most provinces place adverts in newspapers to support parents in finding learning spaces in schools for their children.

Most departments provide transport to learners in rural and informal settlements to ensure that all learners of compulsory school-going age go to school. There is more attention paid to ensure that children with special education needs access appropriate learning programmes and spaces. This has resulted in a substantial growth in the number of learners in the special schools sector including street children. The number of learners in technical colleges has also increased substantially.

**Equity and redress**

All departments apply the Norms and Standards for School Funding. Schools in disadvantaged communities thus benefit more as they receive more funds for recurrent expenditure. Legislation also allows schools to determine their own needs and raise additional funds through school fees.

To ensure greater equality in the distribution of teaching personnel, a post provisioning model was developed nationally and implemented by all provinces. This model ensures that teachers are distributed to schools based on a common learner- educator ratio. Recently, this model has been revised to promote greater equity in the distribution of posts.

The revised post provisioning policy sets aside 5% of all posts for redistribution to schools in disadvantaged communities for curriculum expansion in the FET band.

Most departments have also reached equity in terms of distribution of support (clerical and grounds) staff across schools.

**Quality**

Improvement in the quality of learning is a challenging goal for any education department. In the case of South Africa, we have chosen to not only change the curriculum but also change the system of learning to outcomes-based education and to restructure learning progression in terms of the National Qualifications Framework.

The country has implemented outcomes-based education in the General Education and Training band (grades 1 to 9) with varying degrees of success. As a result, an evaluation of the implementa-
The next ten years are going to be even more critical as education will have to contribute effectively to both economic and social development and even more important, to the maintenance of our infant democracy and Constitution.

The transformation legislation and policies developed over the last ten years were targeted to contribute to access, equity and quality for all. The key approach to improving quality is to:

- capture these in a coherent statement of vision for quality in the system- as representing the core of quality in the system;
- spell out the expected outcomes and the indicators for these outcomes; and
- put in place a rigorous process of measurement (where it does not exist) and consolidate where some processes exist.

It would also be critical to quantify/spell out the inputs and processes that will be required to achieve the desired outcomes at the expected levels. Clarity is of great essence as regards the prioritisation of our choices in developing a national plan for quality in the education system for the next ten to 20 years. This will compel us to review the adequacy of existing institutional arrangements to achieve the desired quality.

We need to realise the vision that all people be economically active and socially responsible. This would help us improve the quality of our social targeting methodology and ensure that we develop more accurate concrete social means tests that can be universally applied to measure poverty and all services.

Currently, different legislation, norms and standards are applied throughout government resulting in differing levels of pro-poor funding for the same community. For example, a community may be ranked quite high in terms of poverty alleviation programmes by local government and at the same time be have low ranking by education. This results in poor integrated planning for poverty alleviation targeting and promoting sustainable development.

Minimum educational packages to fund learners and schools may improve the funding arrangements for learners in poor communities by offering them benefits from free education and thus reducing or eliminating the burden on parents to supplement subsidies. This in itself may stimulate more local development as a result of more disposable income becoming available for other cost of living needs.

The past ten years of education transformation have been an exciting and difficult path that has seen both successes and shortcomings in delivering as an education service. The next ten years are going to be even more critical as education will have to contribute effectively to both economic and social development and even more important, to the maintenance of our infant democracy and constitution.

By ensuring quality education we will ensure sustainable development underpinned by economic growth and a strong democracy.
How Granny changed the course of a Government Programme

This is the story of granny Nobelungu Mashinini, the magogo of "Basa njengo Magogo". It is also the story of an NGO which did not assume but listened, a large petrochemical company, and of course the government.

Background and problem
Air pollution is a serious problem on the Highveld. In the Vaal Triangle, domestic pollution from coal fires contributes to 65% of total air pollution. Ambient air pollution levels are up to 10 times the national and international standards. Indoor pollution is even worse. In a study for NEDLAC, Yvonne Scorgy estimates the annual health cost due to domestic pollution in the Vaal Triangle at R294 million. The Department of Minerals and Energy conservatively estimates the cost to the state to be approximately R455 million.

Over the years there have been a number of programmes and interventions to promote clean household energy consumption. Smokeless stoves were promoted. Then it was believed that electrification would solve the pollution problem, and most recently the low smoke fuels programme was initiated as an outcome of a stakeholders meeting in Soweto in 1994. None of these initiatives delivered the intended results.

Solution
In 1998 community leaders in eMbalenhle, Secunda, in the Mpumalanga province, requested Sasol to "not only look at their own emissions, but also assist the community to address domestic coal smoke pollution". Sasol then commissioned NOVA Institute (a non-profit research organisation that reconciles the expectations of poor communities with the intentions of service providers) to prepare a strategy to address the pollution.

NOVA started by listening to ordinary households that use coal. NOVA evaluated all available alternatives for affordability, acceptability and desirability. As coal is a multi-purpose fuel, it was clear from the start that it will not be economically and socially viable to replace it with more expensive alternatives.

The community leaders had one other requirement: "no hand-outs". This challenge called for a creative response where community members and specialists had to put their heads together. A needs driven approach was developed to ensure that an affordable, desirable, sustainable and wholesome solution could be found.

The only viable option identified through the research process was the down-burn method of making a coal fire. Accordingly, paper and wood are placed on top of the coal and then lit. The fire then burns from the top downwards, and in the process all the volatiles (smoky substances) are combusted. However, the method has never been tested in South African communities using the low-grade coal which communities are used to.

NOVA then requested nine families to evaluate the down-burn method. Eight of the nine families reported that they couldn’t get the fire to burn. One grandmother, Nobelungu Mashinini, differed. She also struggled at the beginning but then refined the method, with excellent results. She was so impressed that she also taught her neighbours. NOVA requested...
the other families to retry the granny’s refined method. They all succeeded and were very positive.

NOVA subsequently developed, with the local leaders, a strategy to reach the rest of the community. The community leaders renamed the method “Basa Magogo”, in honour of Granny Mashinini.

Results
Over a period of two years, more than 20 000 households were reached through street demonstrations. Half of the coal users adopted the Basa Magogo method. Sasol independently measured the ambient air pollution and recorded a drop of 38% over the two years. Households reported distinct benefits: Savings in coal of R30 per month or more, improved health, better visibility (less accidents and better crime prevention), the fire is ready for cooking much faster, to name a few.

The project was exported to Zamdela, Sasolburg where a pilot project was launched in 2003. In Zamdela 60% of coal consuming households adopted the method, calling it “Basa Mama”. Here a reduction in air pollution of 42% was recorded. Again, residents reported significant savings.

The regional advantage is also significant. In the Vaal Triangle, the method can reduce domestic pollution by at least 40% and as a consequence regional air pollution by 25%.

The Department of Minerals and Energy acknowledged the work that was done in eMbalenhle and the contribution made by Granny Mashinini. “Basa njengo Magogo” was integrated into the Low Smoke Fuels Programme and it became the Integrated Clean Household Programme. A grandmother had changed the course of a government programme!

The Department of Minerals and Energy’s first step was to independently verify the results achieved by NOVA and the community. Palmer Development Consulting (PDC) was appointed by the Department of Minerals and Energy to launch the “Basa Njengo Magogo” fire lighting method in Orange Farm. PDC acted as the lead organisation and the team consisted of a marketing specialist (O’Brain Advertising), Dikepolana Consultants as well as a local organisation MKX Administrative Services. PDC achieved similar results to NOVA.

Granny Mashinini became the “face” of “Basa njengo Magogo”, gracing the posters and banners as part of the marketing efforts. A national roll-out strategy is currently being prepared by NOVA and PDC. The ordinary granny is now set to become the national face of “Basa njengo Magogo”, with the associated financial reward.

Lessons learned
Take time to listen to ordinary people. Don’t patronise them. Provide the opportunity to participate freely and creatively. If a problem is thoroughly researched together with the citizens affected, the chance of finding an appropriate solution becomes possible. They are after all the people that are exposed to the problems.

One should not assume that a specific solution would work under all circumstances. First evaluate and pilot before you implement.

Small is beautiful — it may be the simple, often overlooked and less glamorous interventions that improve service delivery.

One should not insult the dignity of people and communities. Most communities will work very hard and make sacrifices to improve their quality of life. “Hand-out” type of options is not what they need or want.

This story is an example of NGOs, communities, government and the private sector that joined hands and together accepted responsibility. They should be commended.
Changing the Culture of the Public Service

Our country has embarked on a process of fundamental change since 1994 with the establishment of the democratic state, the reconstruction and development of the country and the broadening of service provision to include all the people of the country. This reflects the fundamental objective of our country and state policy which is, the establishment of a united, non-racial, non-sexist and democratic society which will create a better life for all.

Other pressures and trends that call for ongoing change include globalisation, technological advancements, socio-economic demands and service delivery innovations requiring more integrated and co-ordinated approaches and evolving models of management and working practices.

In particular, the ten year review of government has identified the need for a more developmental approach to service delivery that is aligned with the policy priorities of government such as poverty alleviation, combatting crime and job creation. Performance improvement, intergovernmental relations and managing the effects of HIV/AIDS are currently major priorities of government.

The transformation of the public service began in full earnest in 1994 to integrate the pre-1994 administrations and align it with the requirements of the Constitution, in particular, the basic values and principles governing public administration.

The White Paper on the Transformation of the Public Service identified the need for a new management philosophy in which the culture of institutions is directed towards meeting the needs of both the public and staff. A highly motivated public service with a strong morale and sense of mission would contribute towards greater honesty, integrity and efficiency and is necessary for us to establish a developmental approach to service delivery in the country.

A comprehensive policy and public management framework was developed during the first five years of democracy, including legislation such as the Public Service Act and the Public Finance Management Act. More recently the Administrative Justice Act has been passed and a National Anti-Corruption Strategy has been developed.

The implementation of the new Public Service Regulations in 1999 brought about a fundamental change in the distribution of powers within the public service. This gave departments more flexibility to organise and manage their work and also build their institutions in a manner that is more responsive to service delivery needs and the challenges that they experience.

The new management framework requires that managers must play a key role in driving the implementation of change. They will require skills to handle the complex processes of change and will require ongoing development and updating of change management skills.

Changes that are required include:
• The emphasis is less about directing and controlling people and more on managing for results, communicating, consulting, supporting, motivating and delegating. It requires moving from a rule-bound culture to one which is focussed more on the achievement of tasks and the meeting of needs.
• Public service institutions will become increasingly representative of the cultures and peoples of the country and there will be an infusion of new ideas and ways of thinking. Managers will need training in the management of
diversity that should provide them with skills in team-building and conflict resolution and to help people understand and appreciate one another.

- The establishment of accountability for performance and corruption as well as the democratising of the workplace through a more developmental orientation and labour relations is required.
- The public service needs to internalise the concept of serving the people and to inculcate a professional ethos that is aligned with the code of conduct for public servants and the principles and values of Batho Pele.
- Managers need to look at the capacity and capability of their institutions to deliver services. It should influence the way in which people are recruited, developed, trained and in which performance is managed.
- At another level it requires that relationships with the public are also transparent, consultative and democratic — that the public have access to information and understand their own responsibilities and obligations with regard to public affairs. It also requires that public servants are willing to engage with people about the manner in which services are provided to them and in the setting of service delivery standards.

**Progress and challenges since 1994**

Since 1994 a key challenge has been to communicate the vision for change, to support people in aligning themselves with the new vision and to develop a collective public service culture that places people first in the delivery of services. The challenge was made even more significant in the light of the integration of the eleven different public services and the prevalence of many different cultures and sub-cultures. It is difficult to measure the extent to which the new vision has been internalised and the extent to which the values, mindsets and behaviours of public servants have really changed. Fortunately various studies regarding the state of public service delivery have been done since 1994, including the Provincial Reviews in 1997, the Presidential Review in 1998, reviews by the Public Service Commission and the ten year review of government. They assist us, among other things, to gain some insight regarding the evolution of a public service culture.

**Overview of changes during the first five years of democratic government**

In 1997 the Presidential Review Commission encountered a rules-bound, repressive culture that sought to deepen social control as well as a hierarchical and control-centred work environment. There was a lack of transparency and accountability for results and utilisation of resources.

Furthermore a racial and gender bias with job reservation mainly for white males was evident. The Commission also found that insufficient attention had been given to communicating a clear and succinct vision of the new public service. The purpose and nature of the transformation process was unclear, both within and outside the public service. Many public servants were worried about their future, especially in the light of the planned rationalisation and affirmative action programmes. This was having a serious and negative impact on morale.

On the other hand there was a growing perception that the public service was taking too long to change and to turn itself into an efficient and responsive service delivery organisation and it was leading to impatience.

The Provincial Review Report of 1997 identified the lack of discipline and the prevalence of misconduct (such as fraud and theft) as major problems in many departments and provincial administrations. Ineffective procedures for managing misconduct cases cause service delays, excessive costs and demoralise staff who wish to see wrong doing punished.

The reviews have, however, also highlighted significant achievements. Substantial progress had been made in developing policy and legislation that sets out a vision for change at a macro level. The Batho Pele principles reinforce the commitment that government has made to instilling a culture of service delivery in the public service.

Some public servants show impressive dedication and capacity under the most unfavourable conditions. Relative labour stability existed even though there had initially been a number of disputes and strikes when the Government of National Unity came to power. Increasing representativeness had been achieved although senior ranks were still disproportionately occupied by white males.

**Overview of changes during the second five years of democratic government**

Research by the DPSA in 2003 found that Batho Pele is still poorly understood and inadequately underpins the management of performance. Public servants at lower levels who interact most with citizens continue to operate according to an outdated rules-based culture that is citizen-unfriendly and disregards Batho Pele.

Reports suggest that work organisation is generally still hierarchical, mechanistic and innovation resistant, leading to reduced motivation and commitment. People’s approach to work is activity-driven rather than results and impact orientated. A silo mentality is still evident and is reflected in a lack of cross-sectoral integration within the public service. Corruption remains a problem.

There are also indications that transformation of organisational culture has not yet sufficiently addressed the softer issues of “old and new public servants” as well as the issues of race and gender.

On the whole, however, change has in many ways become integral to the mindset of public servants and there is a growing emphasis on people-centred service delivery and the willingness to implement new ways of working.

A broad range of related change initiatives have been implemented across the public service since 1999. They include:

- the implementation of the new public service management framework;
- the establishment of a senior management service to strengthen leadership and management;
- improved accountability and measurement of outputs through the implementation of legislation governing public finance management and reporting;
- the development of a code of conduct;
- improvement of a range of human resource management practices as well as improved pay and service conditions;
- a new performance management system that also links individual employee development with the attainment of departmental or institutional strategic
In conclusion: Towards a more integrated change management approach

Substantial work has been done over the last decade in developing and implementing a policy framework to bring about change in the public service. However, besides anecdotal evidence, limited studies have been done and it is difficult to determine the extent to which the vision for change has been internalised and the extent to which the values, mindsets and behaviours of public servants have really changed.

Developing a collective culture that places people at the centre of service delivery is an ongoing, complex and challenging task that needs to be tackled at various levels. We all need to become more conscious of the need to drive and nurture change in a coherent and structured way.

Studies, in particular, those done by the Public Service Commission, suggest that much more still needs to be done. This would include, for instance:
- promoting greater transparency and external accountability regarding performance (the development of effective systems for the monitoring and review of public service performance included);
- reviewing the role of senior management in the transformation process to ensure that they act as change champions and are fully committed to driving the implementation of change throughout the organisation; and
- building skills and capacity into departments to manage the change process by identifying gaps in capacity and introducing specific programmes to address them.

Conversations involving people from different sectors of society about the state of public management in the country have also revealed challenging insights regarding the establishment of a more professional work ethos in the public service. Professional and work ethics are basics we need to get right even though they may seem fuzzy.

We need to take note of good practice from both developed and developing countries and we should be learning from other African countries as well. It is important that public servants understand the policy direction of government and what it requires from public servants. We need frameworks with clear goals to mobilise people for change. These goals as well as the Batho Pele principles need to be inscribed in performance agreements of managers and staff.

There is a need for much more discussion and reflection about the way in which change should be managed in the public service. There is a growing understanding that we need to adopt a more integrated and balanced approach to change. Furthermore, change management must be located at the epicentre of all change. It is about linking and balancing so-called “hard” change, for instance, issues regarding macro-organisation, technology, process design and infrastructure, with the “soft” issues that refer to values, morale, openness to change, non-racialism and work ethics.

It also requires a holistic view of change that considers all aspects of the service delivery value chain, from the “back office” support processes to the “front office” where we interface with the people we serve.

There is also the question about what Batho Pele means in practice. The principles of Batho Pele need to be infused into organisational turnaround and improvement processes of departments and institutions, for instance, the development of a customer service orientation that is appropriate to the nature of services and needs of people accessing those services. Batho Pele also needs to be reconciled with the major sectoral changes, for example, the shift from welfare to social development, from a curative to a preventative emphasis in health, from punishment to rehabilitation in correctional services and from law and order to safety and security.

In the short to medium term consideration should be given, among others, to:
- creating a more conscious, structured and integrated approach to change management in the public service that is based on a thorough understanding of the different dimensions of change;
- identifying opportunities to link and consolidate key change management initiatives across the public service that are interdependent and mutually supportive;
- establishing mechanisms to measure and evaluate the impact of change management initiatives; and
- developing capacity in institutions to lead and manage change projects and put in place mechanisms to institutionalise change management as a discipline across the public service.

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The National Department of Health reviews the challenges it has encountered in transforming the health care system over the past 10 years; major successes that characterised these transformation efforts are also highlighted.

The Hospital Revitalisation Programme that benefits selected public hospitals around South Africa is well named. Not only has it restored or rebuilt health facilities, but it has also generated enthusiasm in communities and stirred the dedication and professionalism of health workers. This in turn has encouraged the kind of care that affirms human dignity, even in the face of suffering.

The Revitalisation Programme is the most recent in a series of initiatives that were taken in the first decade of freedom to strengthen the network of public hospitals. It is also the most focused intervention. But earlier initiatives, to a greater or lesser extent, also enhanced the quality of care available to our people.

The public hospital system, together with some 4 300 clinics, represents government’s most important resource in meeting our Constitutional responsibility to ensure access to essential health care for one and all.

The greatest increase in the use of health facilities during the first decade of freedom has taken place — appropriately — at the primary health care level. The demand on hospitals has been relatively stable in recent years with admissions averaging around 3.8 million a year.

At the birth of our constitutional democracy, some hospitals were in good repair, reasonably equipped, well staffed and equal to meeting the health needs of the surrounding community. Among them were excellent facilities offering highly specialised care and teaching opportunities for young professionals.

But other hospitals were old. Often they were also in poor repair or ill-equipped. A lot were inconveniently situated. Some were bursting at the seams while others were under-used. Many were critically short of skilled health professionals. One could read South Africa’s racial history from the state of its public hospitals and the unequal burden of care placed on facilities.

Whatever their state, these public
health facilities were our single greatest asset in offering treatment and care to the majority of South Africans in times of illness. The challenge was to make the most of them, in the short term, and to find ways of renovating, replacing and augmenting them in the longer term.

The transformation of the hospital system to meet the challenges of universal health care extended beyond physical rebuilding and new equipment. Issues of planning, management and utilisation had to be addressed.

Rational and appropriate use
Rational use of health services follows the principle of treating each patient at the level of care most appropriate for his or her health condition. The overwhelming majority of illness and injuries can be effectively dealt with at a primary health care clinic.

Within the hospital system, too, there are recognised levels of care and after 1994 a process of reorganising hospitals according to such levels was initiated. General medical care is offered at Level 1, specialist care at Level 2 and a range of sub-specialists at Level 3.

By ensuring that patients were treated at a hospital offering the correct level of care, provinces could operate more economically and treat more patients with finite budgets. Provincial health departments developed targets for the relative number of hospital beds needed at Level 1, 2, 3 and worked towards these targets. Their plans also catered for specialist hospitals, for psychiatric and tuberculosis treatment.

A second aspect of rationalisation was tackling the duplication and waste arising from apartheid planning. Racial segregation had created a situation where:
- two racially segregated hospitals existed under one roof, duplicating many facilities quite needlessly; and
- hospitals offering similar specialised services to different racial groups existed a short distance from each other. This was most noticeable when it came to big teaching hospitals in major cities.

It was necessary to reorganise these services more cost effectively. Apartheid planning in smaller towns with a single hospital (running segregated wards and outpatient clinics) usually dictated that the institution was situated in the “white” town, furthest from the people who most needed state services.

Efficient management
Financial discipline has been a hallmark of the post-apartheid government and all departments are expected to operate within allocated budgets. Since hospitals consume the lion’s share of the budgets of provincial health departments, good financial management at hospital level is critical.

The quality of patient care also depends largely on good management and effective systems. The availability of beds, the length of waiting times and the availability of medicines, clean linen and appropriate food for all depend on efficient management.

The new government recognised that the complexity of hospital operations demanded that a management expert — and not necessarily a doctor — be placed at the helm, with an adequate team to support him or her. The statutory requirements for hospital CEOs were accordingly amended.

Provincial health departments, with the support of the national department, embarked on a process of training managers and equipping hospitals with the systems that would allow them to plan and operate more efficiently, thus maximising the resources available.

Automated and standardised patient admission and billing systems were introduced. Clinical units within hospitals began to operate as cost centres, managing their own budgets. Security systems were strengthened to counter the persistent and substantial problem of theft of hospital consumables.

The process has been strengthened through the delegation of certain powers from provincial departments to hospital managers and improving governance practices through the appointment of representative hospital boards.

Appropriate staffing
The right mixture of a wide range of well-trained personnel — both professional and non-professional — is critical to the smooth functioning of any hospital.

In South Africa, where the public health sector competes for resources with a robust private health sector, constraints at the level of professional personnel are a constant fact of life. Ironically, the pressure on the supply of health professional has been aggravated with the dawn of democracy, as it has become increasingly easy for our professionals to work abroad in more lucrative markets.

Inequality between provinces and between hospitals within the same province is reflected in the uneven dis-

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### Distribution of hospitals across provinces

<table>
<thead>
<tr>
<th>Province</th>
<th>District hospitals</th>
<th>Regional hospitals</th>
<th>Specialised hospitals</th>
<th>Tertiary or central hospitals</th>
<th>Total number of hospitals</th>
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<td><strong>53</strong></td>
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distribution of skilled health professionals. This has indeed proved to be the most intractable aspect of inequity. It has proved to be easier to redistribute funds than to move people to fit service requirements. Health facilities in the deep rural areas of the country — corresponding to the former homelands — are often critically short of skilled professionals.

Some medium-term strategies introduced in the first half of the decade relieved the situation to some extent. These were:

• The introduction of a mandatory year of community service for newly qualified doctors, dentists, pharmacists and allied health professionals. Between 1999 and 2004 more than 11 000 had done community service or were currently doing it. Many served in rural areas where professional posts would otherwise have remained vacant.

• The contracting of foreign doctors, through inter-country agreements, to work in the public service. The agreement with Cuba was by far the largest of these and to date 638 Cuban doctors have provided medical care in understaffed areas of South Africa.

In more recent years additional steps have been taken:

• New categories of mid-level worker have been introduced to relieve the pressure on professionals.

• Agreements have been reached with countries recruiting health workers from South Africa on basic ground rules for such activities.

• Incentives to recruit and retain professionals in the public sector — and more particularly in rural areas — have been introduced.

• Provinces have been encouraged to increase bursaries and target them in a way that will relieve particular shortages of professional personnel.

Early in 2004, financial incentives for doctors to take up posts in rural areas were substantially increased. For the first time, similar incentives were introduced for other categories of professionals and an estimated 33 000 workers stood to benefit from this allowance.

At the same time a scarce skills allowance was introduced for categories of professionals deemed to be in especially short supply in the public sector. This measure benefited 66 000 professionals. A substantial number of individuals would be eligible for both allowances and could earn up to 37% above the basic annual salary.

**Quality of care**

The public health sector subscribes to the view that quality of care lies in meeting high standards of clinical practice and instilling a strong service ethic in our institutions. We acknowledge that adequate facilities, equipment, personnel, management and operating budgets are prerequisites for good quality health care. But we also take the view that there are additional factors — cultivated through quality assurance programmes — that lift health care above the ordinary and make it a positive experience.

The transformation of public hospitals included initiatives to improve clinical practice:

• The development of an Essential Drugs List together with treatment guidelines not only supported correct medicine use, but assisted in the management of pharmacies.

• The introduction of continuing professional education became a requirement for continued registration of various health professionals.

• Health science faculties at universities extended their clinical teaching to some outlying regional hospitals.

• A system for the monitoring of every death occurring during pregnancy and childbirth was introduced. Many provinces also took steps to improve the regularity of morbidity and mortality meetings in their hospitals.

• The practice of accrediting hospitals has been encouraged and provinces have used various internal and independent accreditation mechanisms

Measures to develop a more patient-centred culture included:

• Initiatives to ensure that the public service initiative Batho Pele (people first), was assimilated throughout the public health system by professional and support personnel.

• A ‘National Patients’ Rights Charter was adopted in 1999 and campaigns were organised to inform patients of their rights. The intention was that consumer pressure could be exercised as a positive force for change.

• Service excellence awards were instituted at provincial and national level.

• Selected patients rights were given statutory force through provisions in the National Health Bill that was enacted by Parliament in 2003.

Not only had apartheid created an unequal and wasteful network of public hospitals, the fragmentation of health spending over a multitude of health departments meant that very little money was spent to maintain and prevent deterioration of hospital facilities.

The result was a steady decline in hospital infrastructure, most notably in the former homelands of Transkei, Venda, and Ciskei.

Furthermore, there had been little investment to utilise modern diagnostic and treatment techniques and facilities had not been upgraded to reflect changes in the ethos of patient care.

In order to redesign the health system to meet the needs of all South Africans, the Department of Health needed sound information on the state and adequacy of its hospital system. It therefore commissioned the Council for Scientific and Industrial Research to conduct an audit of hospital buildings.

The audit, conducted during 1995 and 1996, was a world first for health services and enabled the Department to truly assess the adequacy of the public hospital network and set priorities for rehabilitatiing facilities. It also informed the planning process at a strategic level.

The audit ascertained the condition, suitability and utilisation of State owned and operated hospitals and health centres. Primary health care clinics were excluded from this audit.
Bed numbers and distribution

The audit showed that South Africa had an average of 2.9 public sector beds per 1,000 population. Although this was well within the norm for developing countries, the beds were not always well located in terms of serving the population. Furthermore, there were substantial variations, with the Western Cape recording 4.0 beds per 1,000 and Mpumalanga having only 2.1 per 1,000.

This inequity was often compounded by differences in the utilisation of hospital beds. While Mpumalanga used only 70% of available beds, Limpopo was squeezing extra beds into fully occupied wards and running at 125% occupancy.

Physical state of hospitals

The grading of each hospital and health centre was based on a detailed assessment of site infrastructure, where each element of every building was described on a five-point scale.

The burden of repair and upgrading fell quite unevenly across provinces. For instance, in the Northern Cape just 6% of hospital stock required replacement or scrapping, while the proportion in Limpopo was 27%.

Suitability of facilities

The facilities audit also looked at the suitability of hospital facilities for the functions they were required to fulfill. Again the national averages do not tell the entire story. Limpopo with 12% if its stock considered totally unsuitable, faced larger challenges than the Free State where the relevant figure was 1%.

Overall conclusions of audit

The audit indicated that at least R8-billion (in 1996 prices) was required to upgrade and rehabilitate existing hospitals and community centres. This figure excluded the purchase of new equipment and the upgrading and expansion of primary health care clinics. It also did not include the vital element of ongoing maintenance to prevent further deterioration.

Apart from putting a figure to the challenge, the audit also indicated the need for a strategic approach. Development of facilities should be related to health needs and priorities and should not be a process of mechanical replacement and repair.

After receiving the findings of the audit, Cabinet voted an initial amount of R100 million to launch the Hospital Rehabilitation and Reconstruction Programme.

Rehabilitation and reconstruction programme

The Rehabilitation and Reconstruction (R&R) Programme spanned the period from late 1998 to March 2002. Resources were invested in a large number of hospitals to address the most critical structural and infrastructural problems. About 60% of hospitals benefited, many receiving funding for two or three projects.

- The R&R Programme invested R1.6-billion over five years to address the maintenance backlog and upgrade facilities.
- A total of 966 rehabilitation projects were carried out of 249 hospitals. Projects ranged from building new operating theatres and maternity wards; to installing new boilers and converting from coal to cleaner energy sources; and to upgrading ablution facilities and installing new drainage systems.

In April 2002, the type of renovation done under this programme became the responsibility of the provinces and national resources were devoted to the Revitalisation Programme. Capital spending in the public sector was constrained during the early years of democracy, as South Africa gave priority to reducing its national debt. Despite this a number of new hospitals were built, including three ultra-modern teaching facilities.

The three new academic facilities

The three academic hospitals are state-of-the-art facilities for specialised treatment and teaching and have been fully funded by the state.

- The Inkosi Albert Luthuli Central Hospital, an 846-bed specialist hospital in Durban, opened to patients in 2002.
- The Nelson Mandela Academic Hospital, a 460-bed referral hospital for the Eastern Cape, is situated in Umtata and was due to open in April 2004.
- The new Pretoria Academic Hospital, a 782-bed specialist hospital, was nearing completion in April 2004.

Both Pretoria Academic and Inkosi
Albert Luthuli were initiated under the apartheid government but built and commissioned in the freedom years. Nelson Mandela was conceived and constructed after 1994, a much quicker project from start to finish.

**Level 1 and 2 hospitals**

Several other new hospitals were built between 1994 and 2002. They were generally in areas without hospital services. They were generally in areas without hospital services and filled significant gaps. During this early phase funding from international development partners played a significant role.

**The Revitalisation Programme**

The Facilities Audit remained an important source of information for a longer-term capital development plan. However, an even more important guide for major capital works was the Integrated Health Planning Framework (IHPF) initiated by the national Department. The IHPF took account of many factors — including population size and movement, changing disease patterns and trends in development. The objective was to set norms and standards for health services across the country in terms of the number of beds needed and the consequent staffing requirements.

The IHPF was still in process when the next phase in the capital works programme took off. But it had shaped the approach to this initiative, which became known as the Hospital Revitalisation Programme.

The Hospital Revitalisation Programme integrates the physical rehabilitation of buildings and the acquisition of appropriate equipment, with the development of management expertise and systems and quality assurance strategies. It also encompasses emergency medical services.

The aim is not only to ensure that newly physical assets are properly maintained, but that the patient feels the full benefit of these costly improvements.

The Revitalisation Programme takes a long-term view of the challenge of renewing the public hospital stock. It is an incremental programme that achieves a major overhaul of selected facilities, dealing with a limited number of projects at a time. In many cases, hospitals are...
being replaced with entirely new structures, either at the same site or at a location more convenient for the community.

In the first year of the Programme, each province identified one hospital as a pilot site for Revitalisation. In the second year — 2003/4 — another two projects per province were added to the programme, bringing the total number of hospitals to 27. Funding for these projects is guaranteed for the full construction period in terms of the Medium Term Budget Framework. The Revitalisation Grant also covers the cost of major equipment, which is essential to good quality care. An additional amount has been allocated specially for the development of hospital management.

The hospitals selected for the programme are reflected in the table on page 63, together with the nature of the development at each site and the progress made by January 2004.

Traditionally, tertiary services in South Africa have been associated with major teaching hospitals. But this link is far from inevitable and a survey undertaken by the Department indicated that many tertiary services are located in regional hospitals.

The findings of this study led to a change in the funding policy for tertiary services. Before 2002 the national health budget only financed tertiary services in 10 teaching hospitals in four provinces. Since then, all tertiary services across all nine provinces have received a slice of the national allocation that is presently in the region of R4.3-billion a year. The new basis for allocating tertiary service funding has benefited the less developed provinces and improved equity in the health system.

While the financing of tertiary services has been placed on a more equitable footing, there is still work to be done to reorganise highly specialised services more effectively. With the sophisticated equipment and the highly trained professionals that are required, these services are inevitably costly.

Consultation and research is underway to shape the future of tertiary care. Some reorganisation is inevitable if high quality services are to be sustained in adequately equipped and staffed facilities. The Department is committed to ensuring that the full range of health care is available to the people of this country.

**Partnership with the private sector**

It is recognised across the public sector that partnerships with the private sector, if well selected and properly structured, can benefit client groups that rely on government services to meet their basic needs. Health departments have been guided by some basic principles as they have begun to implement public-private partnerships. The bottom line is that these partnerships should enhance the overall sustainability of the national health system through:

- improving overall access to health care;
- reducing the gap in access to care between rich and poor, urban and rural residents; and
- containing the costs of service and getting better results for money expended.

The unfolding medical schemes legislation has given rise to increased engagement between public and private health care sectors. A major thrust of medical schemes legislation has been to ensure that schemes do not discriminate among members and that they provide an essential package of benefits to all members. The minimum benefit provision has prompted medical schemes to seek health care providers that offer the best value for money and designate them as preferred providers. Individual scheme members also take the initiative to find services that allow their benefits to stretch further.

In this context, an increasing number of private clients and medical schemes are utilising public health services. In some instances, regular wards in public hospitals suit the purpose, but in many others special wards have been created in public hospitals to attract such clients.

The Department of Health has welcomed this development, but some ground rules apply:

- patients who cannot afford private care remain the first priority of the public health sector. Services for private patients should never squeeze out lower income patients;
- the same standard of medical treatment should be offered to all patients in the facility; and
- revenue generated from full-fee patients should be utilised for maintaining and equipping the entire estab-
National Department of Health

The Health of our Nation gets better only when we work together as people and government

During the first 10 years of freedom, national, provincial and local government have worked closely together to provide health services for all in need.
- Other government departments have also carried out important programmes that improve our health programmes like water provision, housing and social grants.
- Community members have developed clinic and hospital committees, formed health organisations and support groups and volunteered their help at many institutions.
- Universities, research bodies, health NGOs, trade unions, professional bodies, statutory councils and private providers have all participated in policy development.
- International development agencies have shared their knowledge and have provided generous funding for important projects.
- Private businesses have begun to recognise their responsibility and are contributing more to promote the health of workers and other South Africans.
- A strong and productive relationship has been forged with our neighbour states in Southern Africa and we have acted together to influence global issues.

One of the most important responsibilities of our democratic government as it took office in 1994 was to introduce measures to ensure that all people would have access to essential health care. It was clear that fragmented health services that had been built to cater — unequally — to different sections of the population could not meet the needs of the entire nation on an equal and fair basis.

Our first task therefore, was to redesign and rebuild the health system to get it into gear for universal health care. Even during the course of this restructuring, we had to begin to provide more and better health services for all South Africans.

It is sometimes helpful to remember where we came from — because it tells us what we have achieved.

Although the early 1990s saw an early end to formal racial segregation in hospitals, historic patterns died slowly. By 1994, hospitals in the suburbs were still largely white and under-used, while those in townships were crowded and struggling to cope. Public hospitals in most rural areas — particularly in the former homelands — were chronically short of skilled health professionals.

Primary health care services had generally taken a back seat to hospital care. Responsibility for health care was split between provincial and municipalities.
Huge stretches of the countryside were without any local health facility.

Training for nurses and doctors was still organised along racial lines. Black candidates struggled to gain entry to certain universities. The statutory bodies set up to ensure high standards of professional practice were far from representative.

Medical schemes had been deregulated and costs were soaring. Many people, most in need for care — like the elderly and those with chronic illnesses — were squeezed out of schemes and became reliant on the public sector.

Costs in the private health sector were exceptionally high. This sector accounted for 60% of total health spending but it only served about 25% of the population. Medicines, in particular, took up a bigger slice of health spending than they did in most other countries.

The key statistics by which a nation is measured told the story of an unequal society, with inadequate health services for the majority. The death rates for babies under one year and children under five years were high compared to other middle-income countries. Within our country there were huge varieties — by race and by geographical area. The former homelands had the most disturbing death rates of all.

It was clear that the quest for health had to start with measures to achieve better equity in the health system. Priority would be accorded to strategies designed to impact on the health of the poorest and most vulnerable sections of the society.

**Seeing everyone gets a fair share**

The goal of health care for all demands a change in the distribution of health resources that can only be achieved by deliberately directing finance and professional personnel to our least developed services. In practical terms this means:

- Shifting government funding from provinces with stronger services to provinces where the services are inadequate.
- Shifting funds from hospital care to clinic services and preventive health programmes.
- Finding mechanisms to ensure that more health professionals provide services in the areas of greatest need.

Provincial health services are funded both from the national health budget and from provincial budgets. It therefore takes co-operation between the two spheres of government to achieve a shift in funding.

The gap in health spending between provinces has narrowed considerably during the past decade:

- In 1995, the province with the largest health budget was spending 3.9 times as much per person as the provinces with the smallest budget.
- By 2002, the gap was down to 2.4, and, in terms of budget plans, it was likely to continue to close.

On the primary health care front, the early years of democracy saw an encouraging inflow of money. The percentage of public health spending on primary health care went from 11% in 1992 to 21% in 1996. The upward trend has, however, not continued for the full decade and primary health care spending also varies substantially from one municipality to another. This matter has been earmarked for special attention in the period ahead.

When it came to achieving a more even distribution of health professionals, government took decisive measures to improve the situation in rural hospitals and clinics.

Legislation was passed in 1998 requiring health professionals to perform a year of community service immediately after completing their studies. Over the years, more professional groups have been included in the community service programme.

Although the programme was loudly resisted at first, it has achieved its goal by ensuring that there are health professionals in many remote rural hospitals and clinics.

The total number of professionals who have done community service is reflected below:

- Doctors: 6 700 (from 1999)
- Dentists: 602 (from 2000)
- Pharmacists: 1 527 (from 2001)
- Allied professionals: 2 740 (from 2003)

The last category includes physiotherapists, occupational therapists, speech therapists, psychologists, nutritionists, environmental health officers and radiographers.

The government also entered into agreement with other governments for foreign doctors to work for limited periods in state facilities. By far the most important for these agreements was that with Cuba.

Over a period of eight years 638 Cuban doctors have served our people, mainly in rural hospitals.

In 2004, a new system of allowances for health professionals working in rural areas was announced. The aim was to recruit and retain personnel for under-staffed services. Until then only doctors had qualified for rural allowances. The new system not only increased allowances substantially but also extended them to other groups — such as pharmacists, professional nurses and various allied professionals.

The year 2004 will also see the National Health Bill come into effect as law. The Bill provides a framework for ensuring universal access to health care of good quality.

- It sets basic standards of care for both the private and public health sectors.
- It clearly defines the roles of national, provincial and local government in running the public health sector.
- It establishes planning mechanisms that cover the entire health system.
- It therefore allows for better coordination and a more effective use of the resources at the nation’s disposal.
Public health care in South Africa has always been the responsibility of the state. However, what could be considered a phenomenal swing in this sector only appeared in 1986 with the government formally supporting privatisation. Even so, public health care remained segregated until 15 October 1991 when the then Minister of Health, Dr Rina Venter, announced the desegregation of public hospitals. As a result of that, the sectors of government, academics, non-governmental organisations (NGOs) and business all have a unique role in public health presently.

Traditionally, academic institutions have been focusing on education and research while NGOs focused on shaping the attitudes of the other sectors. The private health sector (business), on the other hand, caters primarily for those who can afford health care facilities and includes the employed and affluent section of the population.

On the contrary, the public health sector (government) provides health care for the poor, thus creating a critical balance of health service delivery by embracing the helpless and the needy. However, a major setback on the part of the public health sector is that it has limited resources that can barely match the services it has to provide. That, coupled with the subsequent positive but costly advances in technology, made a case for public/private initiatives to work together to provide health care services.

**Public/private initiatives**

Departments and provincial administrations have a history of often neglecting linking their functions and services with their mandates, vision and mission, or the changing needs of their customers. The result is that a lot of time and expenditure is still being wasted on non-core functions, high staff wage bills and a bloated public service.

In general, public/private initiatives are pursued to counter that problem by, among other things, allowing departments to concentrate on the core functions, that is, functions that are directly linked to their mandate, vision, mission and primary objectives. They are also pursued to provide better value for money.

Public/private initiatives include a number of implicit operational elements, namely: outsourcing, public/private partnerships with contracts, service level agreements and strategic alliances. Usually these implicit operational elements would not include the core functions of an institution opting for public/private initiative. However, core

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**Case Study**

GJ Van Zyl: Faculty of Health Sciences, UFS; S. Shuping: Free State, Department of Health, JJ Mahlangu: private practitioner, Welkom; Prof. GJ van Zyl (corresponding author), Head: Medical School, Faculty of Health Sciences, UFS discuss the Universitas/Pelonomi Hospital collaboration as a classical shining example of how public/private initiatives can provide collaborative health care solutions in South Africa.

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Public/Private Initiative

The Pelonomi experience
functions can be outsourced, provided that it is a better value for money option and is in the interest of the public.

Contrary to the previously held notion that partnerships are exclusive to parties with a similar vision on the outcome of the initiative, such initiatives can be pursued to allow different outcomes within a legal arrangement.

Benefits of establishing the public/private initiative include: the involvement of the communities, the acceleration of service delivery, the establishment of a centre of excellence, the retention professional staff, and the establishment and grouping of core functions within an institution.

**Bidding for a partner**

It is important that government institutions look out for some of the following criteria in bids received from potential partners:

- The bid must be technically and financially sound and beneficial to the government.
- It must improve access to healthcare services and call for effective rendering of existing services.
- The infrastructure and services identified in the bid must be in line with the department’s strategy for health services.
- The bid must include the development of the small, minor and medium entrepreneurs/enterprises. It must also promote job creation.
- It must contain sufficient financial and technical detail as required by the Department of Health.

In instances where bids involve capital infrastructure, departments can contact the Department of Public Works for assistance in the evaluation. If the bid is considered by the department to be desirable then it will be subjected to competition and counter proposals from other parties.

The initiative must be seen in the context of health care dynamics where flexibility is needed. Other than being adapted in accordance with the hospital, a health care system should inform the operations of a hospital. There are three issues in one, namely, providing excellent health care services, alleviating financial burden on public sector (two mechanisms) and providing a platform for training. The challenge is to lower the costs.

**Will only one solution work?**

The challenge in the public/private initiative model is for it to be flexible, sustainable, cost effective and beneficial to all stakeholders.

The implication is that it be regularly amendable in response to the prevailing circumstances. Of great importance, all parties must work together to make a success of it.

Important ingredients needed in a public/private initiative are trust, a process to fast track decisions, commitment from all parties, a defined legal framework, checks and balances, test for alternatives, dedicated project managers and team, flexibility, that is, the ability to amend the model as needed.

One of the crucial reasons for the adoption of the public/private initiative is income generation. Reasons for income generation are: real value, value of partnerships, licences of beds, additional funds to balance books, profit, and use of expertise.

The success of any public/private initiative lies in regular thorough monitoring and evaluation particularly as regards the different visions of the partners taking part in an initiative.

There have been a few projects that represent public/private initiatives, all with a different scope of success. All these projects were on a small scale. The Universitas/Pelonomi Hospitals public/private initiative is probably the biggest of them all. This could serve as a future model for public/private initiatives in health.

**The Universitas/Pelonomi public/private initiative**

Since 1998, the Free State Health Department (FSHD) had to rationalise staff and facilities. A specific project to rationalise and consolidate the hospitals in Bloemfontein was initiated.

The two hospitals identified for the project were the Universitas and Pelonomi hospitals.

This project, often called The Universitas/Pelonomi Hospitals Public/Private Project was initiated to redress the historical imbalance between the two hospitals.

The two hospitals were to be restructured into non-racial hospitals based on distinct levels of care. Pelonomi provides Level II care for the Southern Free State region and Universitas provides levels III and IV of care.

**Background information**

The Universitas Hospital is a well-maintained tertiary hospital while on the other hand, Pelonomi hospital is 36 years old with a large maintenance backlog.

An alternative source of funding for public capital projects was needed. A Health Facilities Audit (1997) showed that R825 million was needed to address infrastructure backlogs and about R100 million was required for upgrading Pelonomi Hospital alone.

It would take a long time to address the capital backlog and improve access to health services with the funds available in the Capital budget. Pelonomi hospital’s last building project was completed in December 1998 with no work done till 2001.

The decline in the Free State budget, medium term expenditure framework allocations (real terms) forced an innovative survival strategy to maintain redun-
dant facilities and stem infrastructure backlogs.

What was done?

It all began with the approval by management of the leasing of bed space, particularly in Pelonomi, to generate income for capital projects. The Free State Health Department obtained approval from the Executive Council of Provincial Legislature and the Tender Board to pursue a public/private initiative at Pelonomi and Universitas.

Three hospital groups were pre-qualified early in 2000. The Development Bank of South Africa sponsored the appointment of transaction advisors (commercial and legal skills) and the transaction advisors prepared the request for the proposal and concession agreement.

Private sector proposals were received and preferred bidders identified in August 2001 with negotiation and financial closure reached between November 2002 and January 2003.

Key issues in the public/private initiative included risk sharing (transfer to private), design and construction, financing, operational, commercial and medical. Payment mechanism to create right incentives for both parties had to be ensured. The required levels of service, and staff and patient poaching had to be defined.

The design and construction, financing, and operational challenges for private facilities risks were overcome. Commercial risk is shared only to the extent that turnover is shared. The medical risk was overcome by issuing separate contracts with doctors.

Benefits and plans for future developments

The Free State Health Department obtains value from the project because Pelonomi and Universitas upgrades are paid for by Community Hospital Management. The revenue stream received from Community Hospital Management may be used for facilities over the concession period, and the upgraded facilities will be returned to the Free State Health Department at the end of the concession period.

Concession fees include variable revenue, which is 2% of the turnover and fixed revenue (per month). Radiology will generate 25% of the revenues generated.

A project manager will be appointed by the Free State Health Department. Service level agreements are negotiated at levels which the Free State Health Department can achieve. These agreements cover all shared services and incorporate service level agreements of existing contracts.

They also contain measurement criteria and penalty mechanisms tying into the contracts.

A liaison committee will be used in dispute resolution of patient and staff poaching. The principle of informed free choice of patients will be adhered to and all posts must be advertised.

The public/private initiative offers bidders space within, and access to facilities at Pelonomi and Universitas hospitals. In exchange the bidder has to complete upgrading work at Pelonomi hospital. There are three classes of facilities offered: the exclusive use of wards and theatres at both Universitas and Pelonomi hospitals, shared facilities such as lifts and clinical services (e.g. radiology), and the use of the excess 500 bed space remaining from the 2 100 beds used by both hospitals.

With co-location the initiative offers the public sector and private sector cooperation as an alternative to competition. The state has redundant assets and the private sector has sound commercial reasons for using them. The private sector operates the excess facility for commercial gain offering a similar service as the public sector. The public sector in turn gains revenue or other benefits from the private sector.

Conclusion

Visionary leadership, innovative and pragmatic management is needed. The project has succeeded following the support from various bodies. These include the national treasury public/private initiative unit, a capable and knowledgeable transaction advisor, a multi-disciplinary project evaluation team, and a strong negotiation team.

Above all its success lies in the willingness of both parties to make compromises to ensure a long-term win-win agreement. Both stakeholders will benefit from the public/private initiative. Pelonomi hospital will be maintained and upgraded and revenue will be used to sustain the infrastructure.

The private sector will be able to use redundant facilities for commercial gain.

References

“We are now amongst the leading countries in the world in the methodology we use for public-private partnerships” – Minister of Finance interviewed on SAfm, 19 March 2004.

But PPPs are not simple quick-fix solutions. They have to be well planned, procured, and managed by government to achieve value for money. Treasury Regulations for PPPs set the standards, and National Treasury’s PPP Unit is steering the way.

Eleven major projects have been signed in terms of Treasury Regulation 16 to date, and more than 50 projects are in the preparation pipeline.

National Treasury, in terms of the Public Finance Management Act, 1999 (PFMA), regulates PPPs by national and provincial departments and public entities, and the PPP Unit at Treasury plays a hands-on role in assisting projects to walk the regulated path.

What is a PPP?
A PPP is a contract between a public institution and a private party in which the private party takes on significant financial, technical and operating risk to design, finance, build and operate a project. The government institution in a PPP is no longer the hands and legs of delivery, but its enabler, strategist and monitor.

The private party in a PPP is a consortium of companies formed into a special purpose vehicle (SPV) company for the sole purpose of entering into the PPP agreement. This private party SPV then enters into subcontracts, typically with construction and operating companies, to effect delivery.

There are two types of PPP: one where the private party performs a public function; and the other where the private party is granted the use of state property for its own commercial purposes. Sometimes these two types are combined in one project.

There are only three ways in which public services and infrastructure can be paid for — whether these are delivered via a PPP or by conventional means:

- Either the tax payer pays (via government budgets); or
- Users pay (for example, using a toll road); or
- A combination of budgets and user fees can be structured.

A PPP does not change this. The difference in a PPP is that the private party takes major risk for up-front financing...
PPP project cycle.

These tests are applied throughout the project preparation period.

- It must offer a value for money solution.
- It must entail significant transfer of risk.
- It must be affordable to the government department or public entity.

There are three strict regulatory tests for South African PPPs:

- Financial viability limits. All PPP procurement documents, including the draft PPP agreement, have to be approved by the National Treasury prior to issue, and the procurement involves five stages:
  - pre-qualification of consortia;
  - request for proposals, usually in draft and then final forms;
  - best and final offer (if appropriate);
  - negotiations; and
  - signature.

The PPP agreement

National Treasury has issued Standardised PPP Provisions (First Issue: 11 March 2004), which sets out in detail the major contracting terms under which government will enter into PPPs. These standard provisions are mandatory for all PPPs that involve the delivery of a service and in which a unitary fee is paid by government to the private party for such delivery.

Any deviation from these provisions must be justified to Treasury in value for money terms.
PPP agreement management
The signing of the PPP agreement marks a major shift for the institution. It has to manage the relationship with the private partner, monitor performance, and administer its own obligations under the contract. These new functions bring new challenges and are demanding new levels of project management skill in the public sector.

Are PPPs good for BEE?
PPPs are inherently excellent for achieving BEE objectives:
- The long-term nature of PPPs provides an opportune instrument to grow Black Equity and black management over time.
- Risk is clearly identified in PPPs, clearly costed and appropriately allocated, so black participants know in advance what they are committing to.
- The formation of private consortia in the form of SPVs for many PPPs facilitates long-term beneficial partnerships between new Black Enterprises and experienced, resourced companies – both as equity partners and in project management, and both at the Private Party SPV and Subcontracting levels.
- Where government is the buyer of a service, and insofar as the service is provided to the agreed standards, there is a steady revenue stream to the Private Party, reducing risk to new Black Enterprises.
- Principal equity sponsors in a PPP are often also first-tier Subcontractors, building incentives for optimal risk management.
- PPPs provide significant subcontracting opportunities for Black Enterprises, where early cash-flow benefits can be derived as delivery commences.
- PPPs have far-reaching broad-based BEE potential: through the subcontracting and procurement mechanisms they can involve a full spectrum of large, medium and small enterprises, and bring tangible local economic development benefits to targeted groups of people.
- Return on equity to the Private Party is competitive where risk is properly assumed.
- There is an increasingly strong demand for black professionals as Transaction Advisors to both Institutions and Private Parties in PPPs.
- PPPs develop skills.
- PPPs create jobs.
The PPP Unit has drafted a Code of Good Practice for BEE in PPPs which has been through public consultation and is being submitted by the Minister of Finance to the Minister of Trade & Industry to be issued in terms of the Broad-base Black Economic Empowerment Act, 2004. This Code sets elements and indicative targets for achieving effective BEE in the typical structure of a PPP.

BEE in the typical structure of a PPP agreement
The draft Code of Good Practice for BEE...
in PPPs also commits government to further facilitate BEE in PPPs by:
• establishing a BEE equity fund for PPP;
• providing a facility to support independent financial and legal advice to black enterprises bidding in PPP projects; and
• to establish an internship programme to grow the number of black transaction advisors in the PPP market.

Some recent PPP success stories
• Inkosi Albert Luthuli hospital in Durban: a R4.5 billion project signed in 2001 with the Impilo consortium to design, finance, install, operate and refresh sophisticated medical equipment and IT and to provide facilities management over 15 years. Black equity in the private consortium is 40%, and black companies have 40% of the subcontracting value.
• Chapman’s Peak drive toll road in Cape Town: a R450 million contract signed in 2003 with Capstone consortium, in which black companies have 30% stake, and in which 50% of the operations and maintenance subcontract is in black hands. The scenic road, which had been closed due to falling rocks, required innovative engineering solutions and is now safely open to the public.
• Department of Labour IT signed a R1.5 billion PPP deal with Siemens and their black partner firms in 2002, resulting in a complete overhaul of its IT and UIF payment systems. Thirty percent of the private equity is black, and 25% of subcontracting is to black firms.
• Universitas and Pelonomi hospitals in Bloemfontein are benefiting from a PPP agreement with a 40% black-owned Netcare consortium which is upgrading facilities to the tune of R38 million, and will pay the Free State health department a concession fee totalling R43 million over 16 years for the use of spare space in the buildings.
• Department of Trade and Industry campus on Nelson Mandela drive Tshwane is an R870 million project, won in 2003 by the Rainprop consortium (with 55% black equity) to design, finance, build and operate for 25 years. The design and construct sub-contract is 43% to black companies, and facilities management contracts are 50% black. The flagship campus is nearing completion and the Department of Trade and Industry will move in this year.

Prior to the advent of PPP regulations in 2000, some pioneering PPPs were done. The South African National Roads Agency concluded the major national toll road deals. Two large maximum security prisons have been built and are operating successfully in Bloemfontein and Louis Trichardt. The Kruger Park signed a suite of eco-tourism concessions.

The new PPP Manual draws on four years of experience, and is due to be launched in July 2004. It contains the following modules, all to be issued as Treasury Practice Notes in terms of the PFMA:

Module 1: South African regulations for PPPs
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Module 6: Managing the PPP agreement
Module 7: Auditing PPPs
Module 8: Accounting treatment for PPPs.

PPPs in the pipeline include:
• Gautrain rapid rail
• Dept Foreign Affairs head office and foreign missions
• Dept Defence military hospitals
• Free State schools
• Dept Home Affairs national identification system
• Dept Transport fleet
• Eastern Cape pharmaceutical distribution
• Limpopo hospitals
• KZN Dube trade port
• Dept Justice IT cash halls
• SARS container inspection
• Limpopo eco-tourism
• National Housing Finance Corporation rental housing
• Gauteng precinct – provincial government accommodation
• Western Cape hospitals
• Working for Water

National Treasury’s PPP Manual
Detailed guidance is being finalised by the PPP Unit for every phase of the PPP project cycle, specifically for the project preparation period regulated by National Treasury, and for management, auditing and accounting for PPPs.

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The PPP Unit offers a regular PPP foundation training course, conducted in collaboration with the National Business Initiative (NBI), which introduces participants to PPPs and gives case studies from practitioners.

Also produced jointly with NBI is the PPP Unit’s PPP Quarterly, now distributed to 6 000 recipients in the public and private sectors. It gives news on PPPs, updates training initiatives, and gives lists and contact details of all registered PPP projects.
The Department of Correctional Services’ Vision is to be one of the best in the world in delivering correctional services with integrity and commitment to excellence. The Mission is to place rehabilitation at the centre of all Departmental activities in partnerships with external stakeholders, through:

- The integrated application and direction of all Departmental resources to focus on the correction of offending behaviour, the promotion of social responsibility and the overall development of the person under correction.
- The cost effective provision of correctional facilities that will promote efficient security, correction, care and development services within an enabling human rights environment.
- Progressive and ethical management and staff practices within which every correctional official performs an effective correcting and encouraging role.

The purpose of the correctional system as defined in the Correctional Services Act, Act No 111 of 1989 is: "... To contribute to maintaining and protecting a just, peaceful and safe society by -

(a) enforcing sentences of the courts in the manner prescribed by this Act;
(b) detaining all prisoners in safe custody whilst ensuring their human dignity; and
(c) promoting the social responsibility and human development of all prisoners and persons subject to community corrections.”

Achievements of the first ten years of democracy

Government’s strides in the past 10 years to transform the criminal justice system have been uneven in relation to gains in policing, the prosecutorial and judicial systems and the transformation of the correctional system. However, critical steps in setting the stage for penal reform have been laid during this decade:

- The White Paper of 1994 as generated by the Interim Constitution addressed the challenges faced by a closed prison system.
- Demilitarisation in 1996 was a critical part of the transformation of DCS, introducing an organisational culture necessary for a correctional system in a democracy. However, the manner in which it was implemented resulted in certain HR challenges.
• The Correctional Services Act of 1998, aligned with the Constitution, reaffirmed the purpose of the correctional system.
• There has been a slow movement from incarceration/security focus to inclusion of human rights and the introduction of some rehabilitation programmes. Rehabilitation tended to focus on human development rather than correction of offending behaviour.
• DCS increased the number of facilities with a focus on cost effective and more appropriate facilities such as youth centres. The lack of coherent policy on this has, however, resulted in certain anomalies such as Kokstad.
• The transformation of the composition of staff, including affirmation of corrections as a profession that is open to women, the removal of racial ceilings and the setting of equity targets have received attention. However, they have also generated training and capacity building needs that have not always been adequately addressed.
• The Ministerially-led campaign of zero tolerance of escapes and the targeted approach to the reduction of escapes has reasserted compliance with security procedures as a necessary work competency in DCS.
• In recognition of the risk profile of South African offenders in relation to HIV/AIDS and the risks this disease and sexually communicable diseases pose to inmates, the Department developed an HIV/AIDS policy and embarked on capacity building amongst members. Peer education amongst offenders on HIV/AIDS was also introduced.
• In compliance with Cabinet determined priorities for the JCPS Cluster, the Department has developed an Anti-Rape Strategy that addresses:
  - improved prevention and combating of rape;
  - counseling of rape victims; and
  - the rehabilitation of rape offenders in prisons.
• The systematic attention to the prevention, investigation and sanction of corruption and serious maladministration in the department has resulted in a concerted effort at changing the attitude to corruption within the department and made a significant effort at cleansing the department.
• The approval of the Draft White Paper has consolidated the strategic policy on corrections in South Africa and the alignment of the hierarchy of imperatives for the Department, providing a degree of certainty and sustainability to the direction of the Department. This has been given further coherence by the completion of the restructuring process to align the DCS structure with the goals of delivery on the new budget programmes.

**Objectives set in the past five years that have not been fully achieved**

The overall objective of placing rehabilitation at the centre of all activities of the Department has not been fully achieved. A variety of constraints and factors have led to this situation:
• Overcrowding has placed a strain on inmates and members resulting in lowered levels of delivery on the core business of the Department and increased labour relations challenges.
  - Overcrowding results essentially from two elements related to the functioning of the criminal justice system:
    - the backlogs in awaiting trial cases, resulting in a significant increase in the proportion of awaiting trial detainees; and
    - the introduction of minimum sentences for certain categories of crimes resulting in higher proportions of long-term sentenced offenders occupying space for a significantly longer period.
• The enormity of the challenge of developing employees in the Department into appropriately skilled and focused rehabilitators has been underestimated and in the first five years largely left to the labour organisations. While this resulted in management not fulfilling its human resource responsibilities, it has also resulted in capacity weaknesses amongst employees due to immaturity in labour organisations and their training capacities. This resulted in a gap between management and labour organisations.
• The corrupt behaviour of employees that has taken root in the Department has in particular areas become a determining factor in correctional management. This has prevented delivery of good governance, Batho Pele driven service delivery and rehabilitation. Over the past four years, steps have been taken to eradicate corruption as part of the overall attempt to establish the institutional capacity required for delivery on the Draft White Paper. Ongoing work on anti-corruption includes the work of the Jali Commission (which is long over its time frames), the Special Investigations Unit, the completion of the UNOCDP/DPSA Anti-Corruption Capacity Audit with the building of the Departmental Investigation Unit and reviewing the Disciplinary Code and Procedure.
• Rehabilitation as the key objective has not been delivered on. It is envisaged that the current financial year will be dedicated to building institutional capacity and enhancing the societal and Governmental understanding of rehabilitation as correction of offending behaviour, development of human life and employment skills, and care and safety of offenders. The constraints that have been faced in achieving the above objectives all impact directly on rehabilitation delivery.
• While the strategic level of policy has been consolidated with the Cabinet approval of the Draft White Paper, the development of the costed White Paper Implementation Plan has not yet been completed. The challenge of cost and developing such an Implementation Plan has highlighted challenges in relation to strategic planning, MTEF budgeting and longer term planning that is necessary for achievement of substantial transformation of government departments and of society.

**Challenges of this five-year electoral mandate period**

The Draft White Paper on Corrections in South Africa provides a framework that will steer penal reform, delivery on rehabilitation in the coming decade of democracy and DCS’s contribution to social crime prevention and effective integrated criminal justice. The short-term period, 2004/5 to 2006/7 is critical for capacity building in this regard, while
the delivery on the White Paper will need to be sustained throughout the electoral mandate period and beyond.

The gains made over the past three years reflect what can be done in the Department with continuity of management and strategic direction. It is imperative that DCS has a high degree of continuity of leadership and management, as well as consistent resourcing of service delivery over the five-year electoral mandate period in order to ensure consolidation.

The challenges of implementation on the White Paper are vast and can be broadly categorised into two areas:

- Institutional Capacity Building; and
- Inter-Governmental and Social Compact Work on Corrections as a Societal Responsibility.

**Institutional Capacity Building**

In relation to institutional capacity building the following are the key challenges:

**HR planning, maintenance and development strategy:** The task of retraining 34,000 employees in the paradigm shift, in appropriate corrections practice, and in management and labour relations systems appropriate to the corrections profession remains a critical challenge and a sine qua non for delivery on the Draft White Paper.

This has been prioritised for the 2004-5 financial year. Work is currently being done to improve the HR Planning in DCS to ensure the recruitment of appropriate personnel, the filling of vacancies, the provision of appropriate employee benefits, improvement of performance management systems, and the consolidation of internal communication strategies to ensure a coherence within the Department. Delivery on rehabilitation is a personnel facilitated process and it relies heavily upon these factors.

The absence of an HRD Strategy ranks as the third highest risk in the Department and a draft HRD Strategy is being consulted at senior management level within the Department. The strategic objectives of the HRD Strategy are:

- To ensure that by the end of 2006 the Department will have attained the status of an Investors In People organisation and all employees, stakeholders and offenders are aware of opportunities associated with that that would be available to them.
- To address skills development needs through accredited training programmes in accredited training institutions by 2006.
- To provide training and development opportunities to all levels of personnel aimed at realising rehabilitation objectives by 2006.
- To create a culture of service delivery in accordance with Batho Pele principles by 2006.
- To make Correctional Services a profession by 2006.
- The HRD Strategy covers the following programmes:
  - Rehabilitation Programme Re-Training;
  - Basic Training Programme;
  - Functional Training;
  - Management Development Programmes; and
  - Alignment of allocation of Bursaries with HRD needs of DCS.

**Resourcing DCS:** The costing of the Draft White Paper is a current and ongoing process, but will require sustained commitment by Government over at least the electoral mandate period. The implementation of the Draft White Paper is not achievable within the MTEF, or even within the five-year electoral mandate period. The budget implications of the White Paper therefore require some ability to attain resource commitments that stretch beyond the MTEF. This is critical for the Department’s ability to consistently improve on service delivery.

**Anti-Corruption strategy:** The investigation, prosecution and sanction of ongoing mismanagement, fraud and corruption in the Department will require a focused effort over the MTEF to complete the backlog of cases and establish a relatively stabilised situation. The timing of the Final Jali Commission Report, to be completed in this financial year, is critical for its integration with current management processes to address many of the causes of what the Commission has investigated. The consolidation of the internal capacity in 2004/5 will be used to address the current allegations of corruption, while the SIU will continue over the 2004/5-2005/6 period to address allegations relating to the period 1996-July 2003.

**Overcrowding:** The problem statement on awaiting trial and unsentenced detainees in the Draft White Paper resulted in a proposal that the responsibility for ATDs remain given to the Ministry of Justice, as it can neither lie with SAPS nor DCS. This requires an integrated policy formulation process that requires a political mandate and sponsor. The resolution of the ATD policy framework by the JCPS and the development of a migration plan from the existing situation to the desired institutional arrangement will have to receive focused attention of the Department and the JCPS departments throughout the electoral mandate period.

Overcrowding due to the increase in extremely long term sentenced offenders as a result of the abolition of the death penalty and the introduction of minimum sentences for crime categories requires DCS to make an input into the criminal justice review and to explore best practice in the management of long-term sentence rehabilitation.

**Development of corrections, development and care programmes:** The conceptualisation of rehabilitation as involving correcting of offending behaviour, human development and care and safety of the offender has resulted in a disjuncture currently prevailing between the Department’s ability to deliver and policy. The immediate challenge is to develop the capacity in the correctional centres and community corrections offices to undertake the necessary correction, development and care interventions, while also drawing on international best practice and research driven approaches to need-based and category specific correction of offending behaviour.
Risk management, monitoring and evaluation: The consolidation of the Information System in DCS in order to enhance decision and management support and to improve service delivery is a critical challenge of the MTEF period. Risk Management requires prioritising within the Department.

**Corrections as a Societal Responsibility**

While the above challenges must be addressed for delivery of correction, development and care to move forward, the sustainability of the work of the Department requires action on correction as a societal responsibility.

**Social compact on corrections:** Correction is not merely a mandate of DCS but a societal responsibility that involves all institutions and individuals, starting with the family, schools, religious and cultural institutions, as well as a range of government departments in the Social and Criminal Justice Sectors. Social reintegration of offenders into their families and communities, a necessary component for effective rehabilitation, requires partnerships between government and civil society and social crime prevention. DCS core mandate of rehabilitation and correction requires a framework for encompassing interest — a Social Compact — to achieve delivery between government and social partners.

The development of such a framework through an inclusive process that enables buy-in from all the relevant stakeholders is necessary to address the fact that civil society at this point in time is vigorous but shallow. The depth and maturity of civil society over the past 15-20 years should provide a basis for broader involvement of civil society in a manner that can enrich South African civil society.

**Criminal Justice Review:** Ongoing penal reform in South Africa requires the criminal justice system to be responsive to the greater capacity for rehabilitation and correction that will emerge in the DCS and is based on the statutory purpose of the correctional system. This must inform the approach that South Africa develops to sentencing and to releasing offenders on parole, both of which must be focused on and appropriate to furthering the correction of the offending behaviour of the sentenced offender.

**Correction is not merely a mandate of DCS but a societal responsibility that involves all institutions and individuals**

South Africa incarceration rate, a reflection on the health of the South African nation, indicates that four out of every 1 000 South Africans, 1.25 out of 1 000 in the United Kingdom and less than 1.5 offenders per 1 000 citizens in two thirds of world’s countries are in prison.

The causes of South Africa’s high incarceration rate could be a result of the levels of violent and serious crime, a legacy of apartheid sentence policy and racism, and a reflection of inappropriate bail, sentencing and parole policies and practice. The targeted level of imprisonment in South Africa is 100 000 sentenced and 20 000 awaiting trial prisoners. This would mean that there would be 2.6 South Africans per 1 000 in prison — a figure that is still substantially higher than world standards. The penal reform envisaged in the Draft White Paper is an integral component of the criminal justice review that the outgoing Cabinet initiated in 2003/4, and must be premised on cooperation and coordination within the justice, crime prevention and security cluster departments.

**Social crime prevention:** Achieving sustainable rehabilitation requires effective social crime prevention. Inter-national best practice indicates that crime prevention should consist of various elements:

- effective administration of justice as a crime deterrent;
- environmental design, socio-economic development, social cohesion and social justice;
- effective correction, rehabilitation and social reintegration of offenders; and
- crime combating efforts.

The Crime Prevention approach proposed to the January 2004 Cabinet Lekgotla by the JCPS is critical for prevention of the current levels of recidivism.

**Pillar 1** — Improving Efficiency and Effectiveness of the Criminal Justice Process as a crime deterrent (Taken forward through IJS Development Committee).

**Pillar 2** — Reducing crime through Urban and Rural Environmental Design and Planning (Taken forward through Social Sector Cluster through Urban Renewal and Integrated Sustainable Rural Development Programmes on the basis of analysis provided by the JCPS).

**Pillar 3** — Reducing Crime through Socio-Economic Development (Taken forward through Economic Cluster through Community Public Works Programme, housing and infrastructural development, poverty alleviation programmes, public transport, on the basis of analysis provided by the JCPS).

**Pillar 4** — Social cohesion, social justice, effective societal correction, and rehabilitation and social reintegration of offenders as part of crime prevention (Currently taken forward through Social Sector Cluster Task Team on Social Cohesion and Social Justice, on the basis of analysis provided by the JCPS).

**Pillar 5** — Crime combating operations related to priority crime categories: Trans-national and organised crime; contact crimes; crimes against women and children; serious economic offences (taken forward through JOINTS).

**Enhanced integrated governance cooperation:** The essential delivery challenge is to make the system of integrated governance work at local and area levels. DCS is aware that the progress in integrated justice at national level is poorly reflected at local level. As a result, many of the operational challenges to make the integrated justice system effective and efficient require operational coordination and cooperation between departments at local level.

The challenge of human resource transformation and development and particularly the retraining of IJS personnel in the new paradigms of each of the various departments, across all the departments, is key to integrated delivery and alignment of policy. The tendency to undervalue the role of the correctional officer, and hence of the Department, in criminal justice and in crime prevention is a challenge that will continue throughout the electoral mandate period.
The Department of Justice and Constitutional Development has had the difficult task of shedding its “white face” and becoming an institution for and representative of all our citizens. Given the experiences of black South Africans with the apartheid justice system, the rule of law alone could not sustain our democracy — thus the paradigm shift towards a human rights culture. In keeping with this new focus, a National Action Plan on Human Rights was launched in 1998, followed the next year by the establishment of the National Consultative Forum for the Promotion and Protection of Human Rights.

The Vision

During 1994-95, following the amalgamation of the national department and the former homeland departments, consultative meetings with various stakeholders took place. The result was Justice Vision 2000 — a strategic plan to transform the administration and administering of justice and State legal affairs in South Africa — which was launched in October 1997.

Justice Vision 2000 identified seven key result areas:

• The Department of Justice;
• Courts and other structures that administer justice;
• Crime, Safety and Security;
• Access to justice;
• Human resources development;
• The legal profession; and
• State legal and legislative services.

Achievements

During the past ten years the Department has had numerous successes in these key result areas, of which the following can be highlighted:

One of the first tasks to be successfully completed by the Department, was the establishment of the Constitutional Court, which has since been a guiding light through its judgments on human rights issues.

One of the most important changes to the justice system has been the creation of the National Prosecuting Authority. The Office of the NPA boasts tremendous successes in, for instance, the area of organised crime.

Significant progress has been made in respect of Employment Equity, which has been funded to the amount of R1,642 million. The judiciary, for instance, now boasts two black Judge Presidents, 76 black and 23 female judges out of a total of 204. Of 1,662 magistrates, 794 are black and 428 are women.

As far as the courts and service delivery are concerned, the Department’s flagship project is Re aga boswa (We are restructuring/rebuilding), which is aimed at capacitating the courts and empowering them to perform to their full potential. In the same vein, a Model Court Blueprint...
has been developed. While Mitchells Plain is the first court to benefit, all future court planning and upgrading is being done in line with the Blueprint’s prescribed minimum standards.

Case flow and performance management have been introduced in the courts and court productivity is improving year by year.

The department has launched a Service Delivery Improvement Programme, which aims at integrating all the initiatives currently under way in the court environment, that deal with improving court productivity and service delivery. The most important aim of the project is to improve the experience and perception of the public with regard to the service that is being rendered by the court system.

The intention is to develop a number of templates (similar to a handbook or manual) containing procedures for the implementation of the aspects of each project within the Service Delivery Improvement Programme. The individual projects can then be implemented in phases, depending on the resources and available manpower at the courts. The projects include, for example, the establishment of local IJS governance structures; the use of court management information; case flow Management; plea bargaining; the “court nag” concept; Pre-Trial Services; actions to reduce awaiting trial prisoners; video arraignment, court user surveys, etc.

As part of the Department’s aim to prioritise and improve services to vulnerable groups, such as women and children, the services rendered by the Family Courts in Durban, Cape Town, PE, Lebowakgomo and Johannesburg are being improved. Roll-out of the project to other districts is planned for the near future.

Sexual Offences Courts cater specifically for the needs of the victims of sexual crimes. To date, 50 fully operational courts have been established and have helped significantly in lessening the trauma of victims and the successful prosecution of offenders. The development of a Victim’s Charter is in line with these efforts to empower victims.

Access to justice for all victims of crime has received a shot in the arm by the introduction of Community Justice Centres, which make legal representation a reality for the poor and disadvantaged.

A special court to deal with cases of fraud, white-collar crime etc, has been set up as a pilot project in Pretoria. The need for specialised commercial crime courts was identified when it became apparent that the backlog in respect of these cases was reaching an unacceptable level. The National Prosecuting Authority took the lead in setting up the first Commercial Crime Court in November 1999. This initiative is being carried out as a partnership with the business community. The success of these courts is being monitored as part of the roll-out process. An additional court has since been opened in Johannesburg and roll-out to other centres is taking place.

Significant legislative developments have marked the past ten years, for instance in the field of Maintenance, Child Justice, Domestic Violence, Witness Protection, Customary Marriages, Access to Information, Organised Crime, Equality and Administrative Justice.

Moving forward

The Department is in the process of re-engineering the maintenance system. A National Action Plan has now been finalised and examines the challenges and provides solutions for six key result areas: Legislation, Infrastructure, Human Resource Development, Information Technology, Communications and the Integration of Services. We believe that an investment in transforming the maintenance system will generate:

- Reparation for past injustices;
- Poverty Alleviation;
- Increased access to education;
- Decrease in juvenile delinquency;
- Reduction in crime;
- Improved standards of living;
- Promotion of a Human Rights culture;
- Respect for the law; and
- Safety, peace, security and stability.

The Department has embraced this project as one of its key objectives for 2003/2004. R20 million has been set aside for the appointment of the first maintenance investigators. The first 59 maintenance investigators were appointed this year and the NPA has appointed a pool of dedicated maintenance officers (prosecutors). A firm has been contracted to assist with electronic tracing/data collection on a national basis.

Access to justice is promoted through the provision of equality justice and measures towards the elimination of unfair discrimination, hate speech and harassment through the establishment of equality courts in all magisterial districts. To date 60 Equality Courts have been established and a further 163 courts have been identified for designation as Equality Courts. The project is now concentrating on public awareness campaigns and providing furniture and equipment to courts. The project will also continue implementing the “prevention” part of the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000, by designating equality courts, defining areas of jurisdiction, and designating trained presiding officers and clerks in compliance with the Act.

During the past ten years the Department has also been instrumental in restructuring and transforming the various institutions and bodies involved in the administration of justice. These include the Legal Aid Board, the Law Reform Commission, the Magistrates Commission, the Board for Sheriffs and the Rules Board for Courts of Law.

Challenges

The Department still faces major challenges, such as:

- Aligning the court structure with the Constitution;
- Reducing case backlogs;
- Extending access to justice to the poorest and most remote areas;
- Re-engineering the maintenance system and the effective implementation of the Domestic Violence Act;
- Increasing capacity among Justice personnel in order to effect service delivery excellence, in line with the principles of Batho Pele (People First);
- Promoting a culture of good governance and human rights in line with constitutional imperatives.

There can be no doubt that these and other challenges will be tackled head-on by the Department in the years ahead. We believe, in fact, that our work will never be done, that there is always room for improvement. Our vision is to meet the challenge of assisting Government in the creation of a stable society, in which all communities are able to live in peace, safety and security.

The Department extends its heartfelt gratitude to all our donors who have made generous contributions towards the realisation of our goals.
Building effective partnerships in pursuit of accelerated social and economic development

Throughout the world governments are pillars that promote social and economic development, national security, law and order and relations with other countries and peoples of the world. Even the advocates of new public management paradigm have equally acknowledged the centrality of the state in governance and nation building and reconstruction.

In his new book, well-known political economist Francis Fukuyama, author of the world acclaimed book *The End of History and the Last Man*, also acknowledges and reinforces state building as an important pillar of democracy, stability, and development. Further, other scholars and opinion-makers have argued that the public sector has a role to play as a facilitator of development. They say it should also uphold and preserve human rights, while ensuring transparency and accountability in public life.

Osborne and Gaebler, who were strong advocates of the notion of “reinvention” of government in the early 90s, acknowledged this fact, albeit with a slant towards a so-called “steering” role of governments as opposed to “rowing”.

Contrary to either the extreme neoliberal propositions of cutting down and hollowing out the state, or the Keynesian model of a big caring “nanny” welfare state, what emerged in the 90s as a common thesis amongst most schools of thought of public management and administration was that governments have a critical role to play. At the same time they cannot fulfill this role alone. Instead, partnerships and networks with other organs of society — public and private — need to be forged.

The Reconstruction and Development Programme placed the public sector at the centre of reconstruction and development in a post-apartheid South Africa. The argument was that the RDP was not just a plan of government alone, that “each and everyone of us has a role to play”, from communities, unions and workers to the business community that will provide energy and innovation. The challenges of the past ten years continue to unequivocally show that government...
alone cannot deliver. It needs partnerships and compacts with other sectors and social partners.

India and China adopted somewhat different approaches towards the development path. However, divergent as they may be in their approaches to issues of development, in both cases the state played a central role. The history of India, for example, has always been characterised by a strong network of community and grassroots initiatives which complement the role of government in delivering services to the poor.

China, on the other hand, initially pursued an orthodox statism model based on Maoist tenets and principles. However, it has over the past ten years “hollowed-in” the private enterprise in the pursuit of its economic development agenda. It has effectively used the state-owned public enterprises to stimulate growth and development. Today it is the fastest-growing economy in the world.

A good model of effective partnership is not the one of hollowing out the state from above by national and international inter-dependencies, from below by special-purpose bodies, and sideways by agencies. It is essentially about building governance networks, a notion alluded to by Jon Pierre in his book *Debating Governance — Authority, Steering, and Democracy*.

Pierre argues that networks bring together policy makers and the implementing agencies, and by so doing increase the available expertise and information. He also argues that networks increase the resources available for policy making by drawing together public, private and voluntary sectors. The argument is also premised on the fact that government could not govern if the people, in their organisations, families, groupings and networks of all kinds, were not themselves self-governing and that such networks are a point of convergence for exercising that self-governance.

Partnerships may then be viewed as a formal mechanism and instrument through which these networks thrive as they assume an organised and co-ordinated form in pursuit of a particular tangible societal objective.

**Partnerships with private sector**

The rationale for partnerships between public and private sectors is very clear — leverage the resources, expertise, and knowledge of each other in pursuit of each party’s interests, viz. delivering public goods and maximising commercial returns. However, the principal challenges of public-private partnerships (PPPs) especially over the years, is how to make the partnerships effective and beneficial for both. Effective partnering between the two means the private and commercial interests contributing to the resolution of public problems, and the public interests reacting to commercial opportunities and threats. They constitute a fundamental and significant element of an organised form of cross-sectoral public service delivery.

The experience over the last 10 years shows that the private sector with its vast array of skills, infrastructure and resources can help government in delivering basic services, from the provision of physical infrastructure and its maintenance, to radical innovations and inventions in ICT provision, skills develop-
ment, small business development support through incubating and wholesale and retail services, facilities management, etc.

In radical innovations these arrangements appear to have worked, especially in areas of resources and facilities management (e.g. fleet management) infrastructure provision and, in some instances, in local government. However, equally, in basic and essential service areas they have not been impressive. In water provision this has yielded mixed results, partly as a result of misunderstanding and the manner and processes followed in designing and implementing these arrangements. In grants payment where in specific provinces especially the poorest, private sector delivery has been disappointing and fraught with fraud and incompetence.

The big question perhaps is: what makes these public-private mixes/arrangements work?

Perhaps fundamental is that partnerships must be based on:

• trust and consent;
• open communication and transparency;
• investment of resources and capacity in institutional arrangements for effective delivery and oversight;
• mutual benefit;
• clearly spelt out design and implementation processes and detail; and
• full and meaningful participation by all stakeholders.

There are many examples in the country of PPPs in high-tech and innovative ICT projects that have worked. These include PPPs in some big local authorities and other areas of IT supply like the Siemens-Department of Labour IT project. Failure in these arrangements in what can be described as essential and basic services could be attributed to the fact that such services are best delivered through arrangements other than PPPs. Building effective PPPs arrangements may as well be left to radical innovative services that the public service is expected to provide as public goods, but has limited expertise, resources, and leverage.

The area that requires strong PPPs is the one of skills development. Again the private sector has come to the party through the skills levy ploughed into SETAs; but these institutions themselves (with varying degrees, of course) have failed and nullified the good intent of the arrangements. Again it points to the need to build effective institutional capacity to ensure that PPPs deliver.

A recent Human Sciences Research Council review on human resource development focusing on employment, education and skills, pointed to the shortcomings in the area of skills development, and partly attributed this to the fact that key institutions in the human resource development sector were working against each other, and that government, employers and civil society need to work together in a more coordinated way.

The review refers to what it calls “joining-up of economic, industrial, firm based, educational and training policies and programmes ...” This demonstrates the value of partnerships, but these require that a common trust and consensus be arrived at in recognising the need for the service and the need for better co-ordination as one sector cannot do it alone.

The experience all over the world and here at home points to the need for the right policy and regulatory framework for partnership building. In instances where government has not played its part, it is mostly been on this score. Perhaps where the private sector has failed is in commitment and investment through resources, skills and expertise/information. Typical examples of these failures are in the areas of human resource development. As a country we are showing signs of weakness in this area as assessed by the Human Development Report of the UNDP, and the World Competitiveness Report by the Swiss based Management Development Institute (although in the latest rating shows we have made considerable progress).

However, examples and illustrations that have been mentioned before do show that there is more room for improvement, as long as there is commitment, trust, equality in partnerships and necessary capacity built for both sectors to meaningfully engage and deliver. Just recently, the City of Cape Town and the Claremont Improvement District Company started working together to build a multi-million rand transport hub facility in the area that will provide a mixture of transport related facilities and services in the area.

The media and private companies, working with the national Department of Social Development were instrumental in addressing poverty and malnutrition that was discovered to be endemic in some areas in the former Transkei area few years ago.

**Partnerships with civil society**

Partnerships between government and civil society, viz. NGOs, community based organisations, lobbying/advocacy and interest groups, are fundamental not only to rapid and targeted service delivery, but to the deepening of democracy. Successful experiments in democracy and development have happened in countries where the partnerships between government and civil society have been stronger.

These are tried and tested experiments such as cutting-edge poverty alleviation, micro-credit programmes in the Philippines, Bangladesh, India, to name but a few.

In some instances the supply of the housing stock to homeless communities is delivered through a variety of civil society vehicles. Other typical examples also include the leveraging of NGO, private entrepreneurs, and government efforts in creating jobs, and business development programmes through an Emergency Social Fund in Bolivia. The social funds targeted poor communities in the country and directly benefited close to two million people.

Socio-economic problems that confront our communities surely require a broad response. Successful experiments in this regard have been noted, especially in areas of community policing. In this area public participation and involvement of community groups is essential to restoring law and order, and combating social malaise. There are also notable successes in areas such as provisioning of social services, education and information dissemination. As a country we also have a depth of advocacy and lobbying groups which is very important for an alternative policy voice.

As is the case with PPPs, government-civil society partnerships, as but one form
of networks, require trust, communication, transparency, honesty, good co-ordination and resource investment to deliver. Put together, these ingredients have always proved a success. Using community groups also presents government with an opportunity to ensure that access to services is improved, regardless of the fact that such communities can be far away from government. However, the experiences of government-civil society partnerships is that there must be accountability to avoid what one writer once described as “institutional capture by elites and middle class” who could use their power to reap the greatest benefits from the collaborative partnership arrangements.

Government must recognise the strong points of civil society organisations, while acknowledging their limitations. These organisations bring flexibility, rapid responsiveness, capacity to experiment and learn from experience, and the ability to enlist the energies and commitment of the communities to participate in their own development.

The important thing is that the two sectors must co-habit to deal with:
• the scourge of HIV/AIDS;
• malnutrition and poverty;
• breakdown of law and order in socially stratified communities;
• access to the government machinery and distribution of government resources; and
• access to land and economic productive opportunities, etc.

Any success in dealing with these issues requires concerted efforts by these groups and government (at all levels). There is therefore a need for initiatives spearheaded by government, to leverage institutions such as the National Development Agency, and those that exist under the umbrella of various sectoral formations.

As is the case with government, civil society organisations and formations must earn legitimacy and credibility to be partners in the search for social and economic development. Most of government plans that are covered in the budget such as the extension of social grants, poverty alleviation projects, HIV/AIDS, public works job creation and skills development efforts, adult literacy, etc, will also rely heavily on civil society input and participation in execution to ensure access to these services.

Partnerships with other public bodies
In many instances public corporations (known as public enterprises or parastatals) and other bodies have had a bad reputation and a bad track record in delivering on their mandates. In South Africa quite a number of public utilities and corporations, and the biggest and powerful were in telecoms, infrastructure, transport, electricity and energy. Government remains a major shareholder in these entities, although they are now being run on a corporate and business basis. They have a fundamental role in extending services to communities particularly access to telephony and communications, electricity and power/energy, transport, etc.

By and large, there has been notable success in this area, as seen in many public and development institutions such as:
• The Development Bank of SA which has done a lot in extending finance for physical infrastructure working with other governmental bodies at different levels. Its flagship Development Fund funds, amongst others, innovative programmes of small business development to develop, empower and strengthen local government as an effective facilitator of SMMEs and enterprise development, working also in partnership with other government agencies.
• The National Road Agency poverty relief projects in communities close by working together on their mandate to develop and modernise road infrastructure;
• Eskom with its extension of electricity to previously under-serviced rural communities and the work of its development foundation, etc.
• Other notable initiatives including the municipal infrastructure investment unit that has been instrumental in ensuring the provision of infrastructure and financial access by municipalities through the identification, development and packaging of requests for assistance. These entities have worked closely with their mother state departments in pursuit of these noble goals.

In the area of small business development there has been uneven progress and success, and perhaps the lesson there is that too many institutions with unclear mandates and no sense of common purpose, pose a problem. The provision of small business development support in finance, marketing and product development, business development, mentoring and training, institutional support, etc, remains the biggest challenge. The partnership between government and public bodies established for this purpose and mandated to provide these services, remains a big challenge.

Concluding remarks
Government cannot and should not face the big challenge of service delivery and social and economic well being of the citizenry alone. There is obviously a growing awareness of the direct action by the state alone and the need for it to bring together forces in the public and private sectors and civil society in order to achieve key policy goals.

The need for effective and robust partnership arrangements in governance and implementation of public policy is essential. Of particular importance is to ensure that these partnerships are based on a common agenda and pursuit, and that they are crafted in such a way that all specifics and details that will make them work effectively are attended to. One wishes to avoid the spectacular failure of some of these experiments in certain service areas in PPPs.

But of fundamental importance is the centrality of the machinery of the public service to acquire that capability to do the steering.
The Thabo Mofutsanyana area in the Eastern Free State is a declared Presidential nodal point for poverty alleviation. Although one of the most beautiful areas in South Africa, it is, as a result of past policies also one of the poorest areas in our country. Addressing poverty and job creation in the area is nearly an impossible mandate to fulfill due to the location of the area and limited infrastructure.

In search of solutions

After the Free State Department of Social Development had given poverty alleviation funds to a group of women in the area, the challenge was to design a sustainable project using the area’s natural resources and existing expertise to generate revenue. The solution:

Lock away a group of government officials representing various provincial departments, community members (desperate women) and a private entrepreneur for a couple of days. Find donor assistance and here it is — Poverty Alleviation a la Thabo Mofutsanyana.

The Basotho people of the area are renowned for their skills in weaving grass hats and other cultural items. Grass, mainly used for thatched roofs and reeds, grows in abundance in the area during summer only to be burned down during winter. With this knowledge an idea was born to align traditional grass weaving practices of the area with modern production technology to manufacture a unique product targeting the interior decorating market.

A partnership between the Free State Department of Sport, Arts, Culture and Technology, the Department of Social Development, the Integrated Provincial Support Programme, the Department for International Development (UK) and the African Economic Foundation Consultancy set the wheels in motion. The mission: to establish a business entity for the production of a unique range of grass window blinds, grass decorat-
Case Study

Women in the surrounding villages harvest grass and reeds from the veld

- Certain grass types are packed in bundles
- Women weave certain grass types into grass ropes varying in thickness

Factory vehicle visits villages on a weekly basis to collect grass bundles and ropes

- Women are paid in cash for products collected
- Raw material is treated and weaved into blinds as per the specification of the client on a weaving loom modified from the traditional concept
- Head rails and mechanism are fixed
- Quality control
- Blind dispatched to client

Achievements

- Fifty previously unemployed members of the community were trained and employed and are now earning the prescribed minimum salary with the prescribed conditions of service.
- A hundred and twenty members of the community in the villages are temporarily employed for harvesting and rope weaving activities with an income.
- Three members of the women’s group who were never employed in the formal sector have been trained for the positions of factory manager, production manager and office manager.
- After two months in production, “break even” was reached.
- Blinds manufactured at the factory were recently used in the Star Home Show to cover the windows of two very upmarket houses, exposing the product to more than 200,000 visitors.
- A major distributor of blinds recently signed an agreement with the factory to reserve a selected range of the blinds. The blinds will be produced in rolls of 30m by 1.8m for the clients to fix their own range of head rails and trimmings. A minimum order of R100,000 per month is guaranteed by this arrangement.
- A selected range of blinds passed the strict import requirements of the UK. Negotiations for the provisioning of rolls to an exporter in Durban, with a guaranteed order of 1,500 square meters per month are in an advance stage.

Lessons

- Thaba Blinds Factory was officially opened by the Premier of the Free State on 3 October 2003. Following an intensive marketing campaign afterwards, a network of interior decorating agents was established from Cape Town to Pretoria. Since coming into production in January 2004, the following accomplishments can be noted:
  - Fifty previously unemployed members of the community were trained and employed and are now earning the prescribed minimum salary with the prescribed conditions of service.
  - One hundred and twenty members of the community in the villages are temporarily employed for harvesting and rope weaving activities with an income.
- The production of the factory is summarised in the diagram.

- One of the important lessons to be learned is that procurement procedures in the public sector are still not geared to support poverty alleviation initiatives funded by government in the rural areas. Procurement and other managers are challenged to ensure that whenever public service offices are decorated, provision is made in the tender documents for the sourcing of items from poverty alleviation projects. In some instances government is indirectly supporting the practice of “sweat shops” whilst better and even cheaper products can be sourced from own poverty alleviation initiatives.
- Thaba Blinds can be contacted at www.thabablinds.com
Ten year review of Public Works

When I joined the Department of Public Works in the Gauteng provincial government in late 1995, it had recently been tagged on to the Department of Development Planning and Environment, to become the Department of Development Planning, Environment and Works. Later, Works was separated from Development Planning and Environment and added to “public media” for a brief spell as the “Department of Public Works and Public Media”.

Gauteng Public Works was then combined with the Department of Transport and Roads, which I think was a good idea because Roads and Public Works are both infrastructure-related. However, the construction and maintenance of schools remained decentralised in the Gauteng Department of Education. After a few years I moved to the Department of Public Works in Limpopo, where there was a much stronger notion of a “Department of Infrastructure”. This may have been a result of a general tendency in the former homelands administrations to have strong Public Works Departments, responsible for all infrastructure-related matters. The provision of all provincial infrastructure, including roads, education and health infrastructure, is centralised in the Limpopo Department of Public Works.

Recently I moved again to the national Department of Public Works, which in some ways has a strong “Department of Infrastructure” role to play, and in other ways has a limited role due to the decentralisation of many types of infrastructure at the national level. Many
years ago, there was a strong centralised national “Department of Infrastructure” or Department of Public Works. However, by 1993 many of the infrastructure functions had been decentralised to other line function departments; for example, the construction of dams and other water-supply infrastructure was decentralised to the Department of Water Affairs and Forestry, and the construction and maintenance of national roads was decentralised to the Department of Transport.

Public Works remained with a focus on office accommodation, prestige buildings (e.g. Parliament), and buildings for national service-delivery functions, such as courts, prisons, police stations and military bases.

Post-1994, the new Government, first under Minister Radebe and then Minister Sigcau, brought two new roles to the national Department of Public Works, i.e. contributing to the RDP by addressing poverty and unemployment through the provision of infrastructure, and transforming the construction and property industries. I think these new roles were informed by a notion of the Department of Public Works as a strong national “Department of Infrastructure”.

However, the post-1994 functional allocations to Public Works had followed the same patterns as in the previous administrations, with the new provincial Public Works Departments responsible for all provincial infrastructure in provinces with a history of homelands, and a much more decentralised allocation of infrastructure functions at national level and in provinces which did not inherit homeland administrations.

In addition, the new Constitution made public works a function of concurrent provincial legislative competence, which meant that provincial Public Works was autonomous, and that national Public Works was only functionally responsible for providing buildings for other national functions, such as SANDEF, SAPS, Justice and Correctional Services. Clearly, implementing the new imperatives would be challenging, given the limited functional role of the national Department of Public Works.

Despite these challenges, the national Department of Public Works embraced the new imperatives, implementing the Community-Based Public Works Programme (CBPWP) in partnership with its provincial counterparts, and overseeing a number of pieces of legislation aimed at transforming the construction industry, including the Construction Industry Development Board Act (primarily aimed at improving the construction procurement environment), and a host of Acts to improve the governance of the built environment professions.

It was also at the forefront of procurement reform initiatives aimed at promoting BEE in public infrastructure projects. The recent allocation of responsibility for the high-profile Expanded Public Works Programme (EPWP) reinforced the broader notion of the Department of Public Works as a “Department of Infrastructure”.

Despite the confidence that the Government has shown in the Department by giving it responsibility for these important national infrastructure-related development programmes,
the other functional responsibilities of the Department (providing buildings for other national functions) are under threat. To be frank, this is largely the fault of the Department itself. The Department’s service delivery to its client departments has not been up to standard on too many occasions. This is not to say that the Department’s service delivery is always poor — all of our client departments can provide examples of instances where our service delivery has been excellent.

Centralisation vs decentralisation
There is a “centralisation versus decentralisation” debate regarding the role of the Department of Public Works. The standard arguments for centralisation apply, such as:

- There are common planning, design, and management principles which apply to all types of infrastructure.
- There are potential efficiency gains by managing the property portfolio of government as a whole, as opposed to decentralised management of the portfolio (which might, for example, result in a situation where one department has a redundant property asset while another department acquires a new similar property).
- The management of fixed assets through the life-cycle phases of acquisition, management and operation, and disposal is often very complex, requiring scarce professional expertise, which should not be duplicated across departments;
- Centralisation of infrastructure provision allows line function departments to focus on their other core service delivery functions, e.g. SAPS is able to focus on combating crime, rather than on building police stations.

The standard arguments for decentralisation also apply, such as:

1. The centralised organisation does not give as urgent and careful attention to issues of a client department as would be given if the function were decentralised to the client department.
2. Only the client department can fully understand its own needs and concerns;
3. The process of obtaining a service from the centralised organisation is too bureaucratic and slow.

The introduction of the Public Finance Management Act (PFMA) has intensified this centralisation versus decentralisation debate. The PFMA has made the authority and accountability of accounting officers sacrosanct, and it raises the question as to whether or not departments are bound to provide their accommodation or other infrastructure needs through the Department of Public Works.

This debate is relevant to any department or organisation which is part of the “centre of government”, i.e. whose function is to provide services to other departments and to look after “whole of government” interests.

The argument for decentralisation can be used to bring into question the roles of many of these “centre of government” organisations. For example, questions may also be raised as to whether it is necessary for departments to use the services of the State Attorney or the State Information and Technology Agency (SITA).

A key question for the government as a whole is whether to address the performance problems of organisations which are part of the centre of government by allowing departments to go elsewhere for their services, or by focusing on improving the performance of these organisations.

One common misperception in the debate about the decentralisation of Public Works functions is the perception that a department can simply outsource the role of Public Works to the private sector, without developing its own internal “Public Works” capacity. One common misperception in the debate about the decentralisation of Public Works functions is the perception that a department can simply outsource the role of Public Works to the private sector, without developing its own internal “Public Works” capacity. In the contractually complex and highly competitive construction and property industries, this can be a risky alternative. Mismanaged projects can result in huge financial implications for the state. It is very important to have the capacity to manage the private sector as an informed and experienced client.

Whatever the merits of the arguments for centralisation, it is clear that decentralisation will continue as long as there are problems with below-standard service delivery from the Department.

Improving service delivery
Although problems with meeting service delivery standards are not unique to Public Works, we have a survival imperative to address these problems, because our customers can and will go elsewhere to obtain an improved service.

The underlying causes of our service delivery weaknesses are also common in the public service, such as an historical organisational culture which did not embrace change, which was not customer-oriented, and which tolerated sloppiness and tardiness.

Although we have adopted the project management principle of single-accountability in the Department, we still have a way to go to develop a strong culture of making sure that the project is completed on time, on budget, and to the required quality, regardless of the obstacles which may be encountered during implementation.

We need to develop an ethos amongst our project managers of being willing “to go the extra mile” and to “cross crocodile-infested rivers” to ensure that the project is implemented to the satisfaction of the client.

Over the foreseeable future, our primary challenge is to address these service delivery weaknesses, so that our clients use our services because they want to use them, and because they believe that we add value.
Huge task for Gilder

Fred Khumalo assesses the challenges facing Barry Gilder, the new DG at the Department of Home Affairs

If I was the DG of a criminal syndicate involved in smuggling drugs and cars and people and abalone across our borders, one of the key deliverables in my business plan would be to recruit Home Affairs officials to facilitate cross-border movement ... our department is a target of the criminals because we provide them with an essential service."

This is the candid opinion of the new DG in the home affairs department, Barry Gilder.

Although not so new anymore — having been appointed in May last year — the remarkable thing about the former National Intelligence Agency Head of Operations is that he had hardly started with the mammoth task of turning around the embattled department when his Minister, Mangosuthu Buthelezi, was replaced.

But all is not lost because the new Minister is Nosiviwe Mapisa-Nqakula who, as deputy minister, had started a good working relationship with Gilder.

Corruption, lack of skilled personnel and resources, charges of racism and low staff morale are just some of the concerns brought to the attention of Gilder as soon as he took over from Billy Masetlha, the former DG.

A 39-page document presented by Gilder himself to senior management at a team-building exercise on September 25, noted: “Morale in the department has been low and the symptoms of this are everywhere ... everybody is either charging or filing a grievance against everybody else ... there are accusations of racism. There are accusations of incompetence. There are accusations of corruption.”

Gilder is also under severe pressure to deliver and turn around the department emerging from a difficult and disruptive period of a stand-off between Minister Buthelezi and Masethla.

In the past three years, two directors general, Albert Mokoena and Masethla, have left the department in rapid succession, before completing their terms.

Mokoena, who was close to Buthelezi, left and is now a senior official with the South African Football Association.

Masethla left in June 2002.

Gilder admits that the department has been profoundly hampered by the failure to fill vacant posts, now occupied by acting and unskilled personnel.

The two posts of Deputy Director General (post vacated by Ivan Lambinon) — Corporate Services and the Government Information Technology Officer — are in the process of being filled.

But, with his experience, Gilder seems suited for the huge task at hand.

Born on 22 July 1950 in Durban, Gilder matriculated in 1967 at Highlands North High School and in 1971 received the degree Bachelor of Arts from the University of the Witwatersrand.

From 1974 to 1975 he was a member of the National Executive Committee of the National Union of South African Students (NUSAS).

Gilder went into exile in 1976 and joined the ANC in London (UK) in the same year. In 1979 he joined MK and in 1980 the ANC Intelligence Branch (DIS) in Angola and received training in the former USSR in 1980 and 1981.

From 1983 to 1989 he headed DIS in Botswana and during the same time (1985-1989) was member of the regional Political Military Committee. In 1990 and 1991 he worked as a journalist in Zimbabwe.

Barry Gilder returned to South Africa in 1991. From 1992 to 1994 he was Head of Communications and later Deputy Director of Matla Trust. In 1995 he joined the South African Secret Service (SASS) and was appointed General Manager Foreign Offices.

In August 1996 Barry Gilder was appointed as the Deputy Director General of the South African Secret Service.

Gilder was appointed as the Deputy Director General Operational Services at the National Intelligence Agency (NIA) on 1 January 2000.

On the 15 May 2003 he was appointed Director General at the Department of Home Affairs.

Gilder has three daughters and enjoys music as a hobby.

Source: Department of Home Affairs
IN SOUTH AFRICA IT HAS ALWAYS BEEN THE CASE THAT THE MAJORITY OF RURAL COMMUNITIES HAVE BEEN SENT FROM PILLAR TO POST TO ACCESS WHAT THEY RIGHTFULLY DESERVE — GOVERNMENT INFORMATION AND SERVICES.

It is against this background that we as Government Communications (GCIS) join the masses of our people in celebrating the fruits of our ten years of democracy by reviewing how the Multi-Purpose Community Centre (MPCC) programme provides access to services of government and technology in an integrated fashion.

The MPCC programme of government was initiated in 1999 as a primary vehicle for the implementation of development communication and information, and to introduce government services into primarily rural communities. This was done to address historical, social and economic factors that created difficulties for citizens to participate and access information and services, as they had to travel long distances to access these services.

MPCCs are one-stop, integrated community development centres that encourage community participation and offers services relevant to people’s needs. They aim to empower the poor and disadvantaged through access to information, services and resources from government, non-governmental organisations (NGOs), parastatals, business, etc. enabling them to engage in government programmes for the improvement of their lives.

Government’s vision for MPCCs is to provide every South African citizen with access to information and services within their place of residence and in each local municipality by 2010 with the purpose of bettering the quality of their lives through integrated service delivery.

Objectives of establishing MPCCs
MPCCs are a way of bringing government closer to the people and assisting communities by:

a. Providing access to integrated and cost-effective government services in one place, saving people from travelling long distances.

b. Allowing interaction between government and the people through events like Imbizes where communities are able to engage government
about their concerns, aspirations, challenges, etc. and enabling government to inform the people about its policies and programme plan of Action.

**Strategic and policy issues**

A number of policies have been critical in shaping government’s development communication approach as well as the decision to implement this approach through MPCCs. Among the most important are:

a. **Task Group on Government Communication (COMTASK) Report:** The COMTASK Report published in 1996 made 83 recommendations to government to overhaul its communication strategies and methods. Recommendation 65 specifically dealt with the development of MPCCs in order for the public to access information as guided by section 32(1) (a) and (b) of South Africa’s constitution. A community participation process and needs analysis indicated that people do not only need information, but also government services. GCIS’ mandate to provide information services was extended to mobilising government departments not only to provide their information but also to provide other services at MPCCs.

b. **The White Paper on Transforming Public Service Delivery (Batho Pele), 1997:** The Government’s approach to service delivery is that people should come first. The community is larger than individuals and any attempt by individuals to provide a service should consider all eight Batho Pele principles. Efforts should therefore not only be directed at serving people, but serving in the best manner by providing such services timeously and at the prescribed standard.

c. **Policy statements by the President (June 1999):** The President noted: “The rural areas of our country represent the worst concentrations of poverty. No progress can be made towards a life of human dignity for our people as a whole unless we ensure the development of these areas. The Government is now in a position to implement an Integrated Sustainable Rural Development Programme (ISRDP) and Urban Renewal Programme. This will bring together all government departments and all spheres of government including traditional leaders. The integration we seek must, for instance, ensure that when a clinic is built, there must be a road to access it. It must be electrified and supplied with water.”

The ISRDP/ URP programme that the President spoke of has been pilot-ed in all the provinces. The MPCC process has similarly been developed according to the pockets of rural poverty identified by the ISRDP.

d. **Cabinet Memorandum No. 15 of November 1999:** The Cabinet Memorandum mandated GCIS to provide information to the public so that they become active participants in changing their lives for the better. GCIS was mandated to establish 60 MPCCs, one in each District Municipality, as the first phase of MPCC development. GCIS was also charged with the responsibility of facilitating and co-ordinating government’s development communication approach through the establishment of MPCCs.

**Progress on the implementation of the MPCC programme**

The following are some of the major achievements in implementing and running the MPCC programme:

a. The roll-out plan for the MPCCs has been developed in three phases:
   i. The first phase is to establish 60 MPCCs, one in each District/ Metro by December 2004. By the end of March 2004, 55 centres were operational with more than 500 services taken to communities where these never existed before. Much as this target will be met, there are 12 Districts in which no MPCC has yet been established;
   ii. The second phase will entail the establishment of an MPCC per local municipality (284 municipalities);
   iii. The third phase, which will overlap with the second phase, will be the integration of the MPCC with the Gateway programme of government (e-MPCC).

b. The MPCC partners have developed a model that defines the basic services to be rendered within the Batho Pele principles at MPCCs. These include the following six major categories:
   i. Public Services (national, provincial and local government services);
   ii. Education and Skills Development Services (Adult Basic Education and Training, computer training, business development skills, etc.);
   iii. Economic Services (financial and non-financial services);
   iv. Information and Communication Services (content creation, community media, etc.);
   v. Office Services (telecentre type services- fax, copiers, telephone, Internet, postal services, etc.);
   vi. Private Sector and Community Services (spaza shops, commercial activities).

c. **Integrated Service Delivery initiative:** There are efforts to align MPCC roll-out with programmes such as: Citizens’ Post Offices, Public Information Terminals, community radio stations, telecentres, arts and culture centres, sports centres, national youth centres, community safety centres, etc. The objectives of this initiative include the following:
   i. To set a clear framework of minimum service standards that apply to all citizens, regardless of location and literacy levels and ensure that they are met;
ii. To make use of the vast infrastructure already in place within the public sector, and create private-public partnerships that ensure all public bodies are able to deliver on their service-delivery mandates in a cost-effective and efficient way;
iii. To build partnerships with the private sector which identify value-adding opportunities for both government and business, and enable citizens to access a wider range of public and private services through the same channels.

MPCCs and Gateway Project: The Gateway is a multi-channel facility that provides government constituent groups (citizens, business, tourists) with consolidated access to South African government information and services. Ten MPCCs (at least one in each province) have been identified as pilot sites for the Gateway project.

MPCCs are a result of private-public partnerships. Partnerships have already developed with parastatals, educational institutions, NGOs, the business sector and community-based organisations, etc.

A partnership with COSATU’s job-creation fund was initiated early in 2003. Accordingly the fund’s technical committee would develop a proposal on how it can assist in the rolling-out of MPCCs thus supporting job-creation efforts. MPCCs feature in the Growth Development Summit (GDS) agreement between social partners.

The Public Service Commission commissioned a study in 2002 to evaluate seven MPCCs. The study indicated that for the programme to be sustainable and successful, government must have a permanent presence in the MPCCs, and ensure that appropriate resources are available. Information and Communication Technology (ICT) is also critical for the success of MPCCs, especially in rural areas.

All provinces have adopted the MPCC programme and have established provincial co-ordinating teams (Provincial Intersectoral Steering Committee), and district and local municipalities are following suit. A number of local co-ordinating committees have been established (Local Intersectoral Steering Committee). A number of district municipalities have reflected the MPCC programme in their Integrated Development Plans and this encourages intergovernmental co-operation.

The original vision of MPCCs as points of contact between government and people has been realised. In partnership with a number of departments, MPCCs have been sites for Imbizos where national, provincial, and local leaders have interacted with local communities.

MPCCs are fast becoming centres for the sharing of information and programmes that people can use for their own development.

A highlight during the past five years was the exhibition at the World Summit on Sustainable Development where as a collective the MPCC partners presented the achievements of the programme to visiting delegates from around the world.

Challenges of implementation
While we pride ourselves on the achievements that we have noted, we have also learned lessons that we believe should be addressed before we turn into full swing with the second generation of MPCCs. We believe that such lessons have helped the MPCC partners to shape the next Decade of Freedom and have shown how service-delivery partners should be engaged to reinforce our strengths in the past five years of the existence of the programme.

The challenges that we have faced over the last five years were as follows:

a. Departments are experiencing problems regarding budgeting for their operations at these centres. Some departments do not have the basic equipment and resources like computers, telephones, fax machines, etc. that enable them to perform their functions.

b. ICT is still a serious problem in the delivery of quality services in the areas where they are really needed (the rural areas).

c. Lack of dedicated funding for the roll-out of MPCCs in all District Municipalities.

d. Packaging of services, for instance the Departments of Home Affairs and of Social Development.

Plans 2004/5
The following are plans for the 2004/5 financial years:

a. Establish and roll out the remaining five MPCCs to reach our target of 60 MPCCs by the end of 2004.

b. To ensure that each District Municipality has an MPCC.

c. To finalise the rollout plan for the coming financial year which will run concurrently with the finalisation of the first mandate.

d. To audit the functionality of all Provincial and Local Intersectoral Steering Committees in all provinces and local governments, so as to create an institutional mechanism that will ensure effective and efficient running of the programme in various provinces and/or municipalities.

e. To finalise the drafting of the second generation Business Plan and the implementation strategy for 2005 - 2014.

f. To continue to monitor and evaluate service provision in all MPCCs.

g. To continue to assess the impact of MPCCs upon ordinary citizens and rural communities as well as underserviced areas.

h. To recognise the most outstanding MPCC in terms of its management service provision, observance of the Batho Pele principles, programmes that are run within the Centre, innovation and creativity of Centre activities and the levels of community involvement and awareness of the services at the Centre.

i. To ensure that the opportunities created within the framework of the GDS are implemented.

j. To explore the possibility of MPCC construction becoming part of the Extended Public Works Programme or the Municipal Infrastructure Grant.

Conclusion
The MPCC initiative is without doubt going to change government’s service-delivery landscape. The days when the community was regarded as the passive recipient of services and information are gone. Communities are becoming active participants in the activities and the work of government; and the MPCC programme is providing the platform.
Restructuring State-owned enterprises for better Service Delivery: DPE’s reflections on ten years of democracy

The Office for Public Enterprises (OPE), falling under the Ministry for Public Enterprises, was originally established in 1994 as a Schedule 2 organisation. From 1994 to 1999, under Minister Stella Sigcau, OPE’s primary objective was to champion and direct the restructuring of State-owned enterprises (SOEs) to ensure optimum economic and developmental impact.

There were six major SOEs that fell under the OPE’s curatorship: Telkom, Transnet, Eskom, Denel, Aventura and Alexkor. Despite the progress made in the first term of the present government, it was felt that the following term would require an acceleration of the process. Consequently, OPE was upgraded to a full Schedule 1 department on 1 August, 1999, to become the Department of Public Enterprises (DPE) under Minister Jeff Radebe. The central purpose remained the same, but the aim was to ‘accelerate the restructuring of State Owned Enterprises to ensure maximum economic impact’.

**Brief policy overview**

There has been consistency in broad government policy dating back to the 1994 RDP statement and the White Paper on Reconstruction and Development. The task can be summarised as: to democratic the state, to address structural economic problems, whilst meeting basic needs. The DPE’s focus has been on progressing with restructuring government assets, specifically, the six SOEs under its control. This task encompasses two main elements of the RDP: meeting basic needs, and restructuring the economy.


The Department of Public Enterprises (DPE) is responsible for the development and implementation of an integrated and coherent approach to the restructuring process, to maximise the contribution of SOEs to the socio-economic development of South Africa.

**Restructuring to meet basic needs**

There has always been a need for the State to play a developmental role in...
South Africa to deal with the legacies of apartheid, widespread poverty and unemployment.

The task of meeting basic needs falls on some of the main SOEs that DPE has an interest in, namely Eskom, Telkom and Transnet. Basic needs envisaged here are access to electricity, access to telecommunications, and access to transport, all at affordable levels. The significant progress that has been made in these areas — the extension of telecommunications and electricity services — has been as a result of the functioning of the policy departments, the DPE, the SOEs themselves, and the regulatory authorities.

The continuity of supply of these services is always paramount when discussing restructuring alternatives, as is the implication of restructuring models on the cost of services.

Telkom and Eskom have met all the requirements of their licence agreements relating to the expansion of services. This has resulted in considerable expansion of electricity and telephone services to communities that have previously not had access to these services.

It has also included the supply of a small amount of free electricity to all households. Rates increases have been within the limits imposed by sectoral regulators. The investment plans of both companies take cognisance of the need to strive towards universal access.

Increased infrastructure expansion has been a concern for Transnet. Freed of its debt burden, Transnet plans to invest up to R16 billion in infrastructure renewal, in rail and port infrastructure. This includes the development of the port of Ngqura (Coega), in the Eastern Cape, which will see matching investment by Eskom in the region of R1 billion.

**Restructuring the economy to meet social objectives**

It is in the area of restructuring the economy, and restructuring government assets specifically, that DPE has been most active. The term “restructuring” has been intentionally used in order to convey the position that this was not merely a privatization exercise. This broader term is meant to highlight the need for a thorough reorganisation of some crucial economic sectors, a reorganisation of the state’s involvement in the economy, and the manner in which SOEs are managed.

Many of the principles and preconditions are spelt out in both the RDP and GEAR, which can be termed the central policy statements. It calls for the efficient functioning of SOEs in order to reduce the fiscal burden on the treasury, and to release funds for achieving social objectives. Central policy calls for efficient management of SOEs, cost reduction, cost recovery as a principle, and transparent subsidisation as the means of addressing social objectives.
It also calls for the democratisation of these institutions, by removing the racial bias in employment and procurement practices. The main sectors identified for attention were Telecommunications, Energy, Transport and the Defence industry. The state’s role was planned and deemed to be developmental, and it was envisaged that this would include active management of SOEs to achieve policy objectives within a mixed economy.

As part of transformation of the economy, Black Economic Empowerment has been a major tool to ensure that the South African economy is deracialised and black equity ownership is created. The criteria for selecting successful bidders for stakes in State enterprises being restructured, always encompass specific BEE requirements. To date R3.2 billion of equity has gone directly to BEE firms.

In terms of government policy, DPE has been ensuring that all its SOEs take cognisance of affirmative action policies in procurement and employment practices. DPE has also been instrumental in ensuring that these procurement practices are met in its own appointment of transaction advisors, consultants and transaction support services.

In terms of economic growth, the contribution of SOEs to the Gross Domestic Product (GDP) is at an estimated 14% to GDP. The South African economy faces a problem of unemployment, as there are no sufficient jobs for the majority of our citizens. However, State-owned enterprises constitute 3% of total employment as they employ close to 340,000 workers between themselves, with Transnet amongst the largest employers in South Africa.

As far as possible throughout the restructuring programme, retrenchments have been limited and various options explored in instances of possible job losses e.g. implementation of social plans, creation of employee share ownership schemes (ESOPS) and skill training amongst others.

Restructuring successes to date
The restructuring programme has met one of its objectives — that of reducing the public sector borrowing requirement. Total proceeds from restructuring of state assets stand at about R34 billion with R22 billion contributions to the National Revenue Fund (table on page 96).

The proceeds have been used by government for delivery of various services through distribution of the fiscus to the national, provincial and local sphere of government.

<table>
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<tr>
<th>State Owned Enterprise (SOE)</th>
<th>DATE</th>
<th>% SOLD</th>
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</tr>
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<td>6%</td>
<td>2400.00</td>
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<td>11.00</td>
<td>SEP</td>
</tr>
<tr>
<td>Transnet’s Chemical Services</td>
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<td>100%</td>
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<tr>
<td>Transnet’s Transwork Parway</td>
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<tr>
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<tr>
<td>MTN</td>
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<td>20%</td>
<td>5300.00</td>
<td>2000.00</td>
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<td>50.00</td>
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<tr>
<td>MTN</td>
<td>Aug-02</td>
<td>N/A</td>
<td>1100.00</td>
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<td>Apron Services</td>
<td>Nov-02</td>
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<td>SEP</td>
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<td>Aventura-Kareeloflo</td>
<td>Jan-03</td>
<td>1.75</td>
<td>1.75</td>
<td>Sale</td>
</tr>
<tr>
<td>Eldan</td>
<td>Jan-03</td>
<td>1.75</td>
<td>1.75</td>
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<tr>
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<td>5.60</td>
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<tr>
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<td>6.50</td>
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</tr>
<tr>
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<td>16.20</td>
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<td>565.00</td>
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<td>ESKOM</td>
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<td>Telkom</td>
<td>Mar-03</td>
<td>25%</td>
<td>4100.00</td>
<td>4100.00</td>
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Amongst the most notable restructuring transactions was the listing of Telkom on the Johannesburg Stock Exchange as well as on the New York Stock Exchange in 2003. This has been a historic transaction and a success story for DPE given that it is government’s first such listing. Through the Initial Public Offering of Telkom, government has ensured participation of ordinary South Africans in the purchased shares. This exercise included a countrywide education campaign to the public to create a basic understanding of the functioning of financial markets. The transaction raised R4.3 billion to the fiscus.

Other transactions include the sale of Aventura. This transaction depicts government’s commitment to service delivery, in that government cannot be seen to be having interests in rendering services which are not central to service delivery. However, through Aventura restructuring, government has set to meet its tourism empowerment goals as this transaction began as an effort to create a substantial black player in the tourism industry.

**Challenges and lessons that can be drawn from the restructuring programme to date**

The restructuring programme has not been without challenges. One of the challenges has been the difficulty of government’s ideal BEE buyers to raise required capital to finance their stakes in restructured SOEs.

Land reform (land restitution claims) has been another challenge — particularly in the case of Aventura and Alexkor. Whereas this has resulted in some delays,
it also shows that DPE takes other government programmes to heart in its restructuring of state assets.

The lessons after ten years of restructuring are numerous and have often been paid for dearly. With more thought and with due cognisance of the constitutionality of all the spheres of integrated governance, the DPE could probably provide a volume of lessons to other government departments involved in restructuring of state assets e.g. provincial treasuries.

**Policy lessons**
The role of a co-ordinating policy body is very important. Once the roles of various government departments had been unequivocally assigned, progress on the policy front was much quicker. Despite the inevitable clashes over territory, political differences, professional and ideological disagreements, sound co-ordination and political leadership can expedite the policy making and consensus building necessary for a national programme. It is encouraging that as the benefits of restructuring are being embedded in the national psyche, higher levels of consensus building are evinced.

**The pace of government**
The stringent checks and balances inherent in government structures slow down procurement, tender procedure, evaluations, contract finalisation, and all the details of transactions. This trade-off between efficiency and control is often to the detriment of a transaction process; a process which is further not helped by the vacillation of the market conditions. However, the propensity for losing bidders to sue means that we have to be cautious.

**Comparing performance to plans**
Initial estimations of time frames and potential financial benefits have proven to be over-optimistic. From experience, the restructuring process involves formulation of sectoral policy (two years), creation of the regulatory structure (one to two years), legislative amendments (one to two years), review of the commercial entity (one year), commercialisation of business processes (two to three years), incorporation and disposal of equity stakes (Tender documents, bid evaluations, negotiations, contract finalisation - from one to three years).

Thus a reasonable time frame for a major transaction, allowing for some concurrence of activities, would be between five and ten years. For a small and relatively simple transaction, a year or two would be sufficient. Nevertheless, the programme has accelerated considerably since 2000, once the initial policy framework had been completed.

**Reasonable expectations of proceeds**
Estimates of potential financial contributions to the Treasury are based on the historic asset value of the SOEs. In reality, conditions in the market, the presence of competing bidders, and success at negotiations determine the actual amount that will be realised. With a few exceptions, the SOEs on offer are not the crown jewels, or shining examples of profitability, and the price that can be achieved reflects this.

**Explicit trade-offs between commercial and social objectives**
Along with multiple objectives comes the necessity of trading off sales proceeds against imposed social objectives. This trade-off is never specific, which makes evaluating bids difficult and sometimes controversial, and leads to disappointment at the bids received from business. A specific framework for evaluating the relative merits of black participation at management level against the amount offered for a business for example, would greatly contribute towards both aligning expectations of the parties and signalling which government objective is most important in a particular transaction.

**Negotiating strategies**
There is often more pressure on the DPE to conclude a transaction than there is pressure to conclude a good transaction. This may be the agency problem where the cost of a poor transaction is borne by the economy as a whole whereas the cost of a failed negotiation reflects on the negotiator.

It appears that the government, often through the DPE, has entered into negotiations with a single party, and with no clear knowledge of what it wants to achieve, other than to introduce a SEP to a company. This has resulted in some very weak negotiating positions which have been exacerbated by poor market conditions. Without an exit clause, the government is locked into negotiating and has to reach a deal. An honourable and defendable withdrawal position should be provided as a guideline and escape clause for the negotiators.

**The importance of external forces**
The final observation is a rather obvious one: that there are many things that lie outside the state’s control. It has proven far easier to achieve success when market conditions are favourable to the industry than in adverse markets. Similarly, external political forces impact on the pace of restructuring.

Whilst it is probably impossible for the government to time the market - many investors have tried and failed - some allowance should be made for the impact of external forces. This has clearly been the case to date with the Telkom IPO. It raises the question of what is the most important government objective, raising funds for the fiscus, or restructuring the ownership of assets or a combination of both.

**Restructuring: Current and future transactions**
Some of the state restructuring exercises in progress include:

**Conclusion**
Looking at contributions to service delivery through programmes like, amongst others the electrification programme and telephone connections at best depicts the developmental role of SOEs over the ten-year period. Further to this, government has been able to achieve the process of BEE participation in the restructuring programme through the divestiture of non-strategic assets as part of an overall transformation of the South African economy. The restructuring programme would still continue at the direction of Cabinet, as more work still has to be done to ensure achievement of social objectives, for instance participation of Transnet in the Expanded Public Works Programme.

More importantly, SOEs can also be used to achieve objectives unrelated to their sectors, such as Eskom’s supportive role in the expansion of mining in the North West Province.
The Learning and Knowledge Management Unit was at it again. On Friday 27 February this year, the Sheraton Hotel in Pretoria was abuzz with activity as the Learning and Knowledge Management Unit within DPSA hosted a seminar on Building the Capacity of the State for the Future. Present at this seminar were the Minister for Public Service and Administration, Ms Geraldine Fraser-Moleketi, together with high-ranking government officials from national and provincial departments, as well as academics, and those from the private and civil society sectors.

In her opening address, the Minister spoke about the importance of the seminar, particularly within the South African political context. Ten years into democracy, it is not only appropriate but also strategic that the government pauses to look back and reflect on particular areas pertaining to its performance, i.e. capability as regards governance and planning for the future for purposes of improving service delivery.

"With our partners," she explained, "we look back at what we have done and what we still need to do.”

The Minister complimented the public service for the ingenious reforms that were introduced over the past ten years, which largely enabled government to fulfil its mandate of service delivery. However, she pointed out the need for more HRD and HRM-based reforms to capacitate the State and the private sector, citing in particular the need to be more attentive and responsive to the needs of the citizens as a core responsibility of any government of a developmental state.

In conclusion, Minister Fraser-Moleketi expressed the hope that from the group of delegates at the seminar who hail from different sectors, would emerge a rich tapestry of ideas and practical experiences that would facilitate collaborative thinking in the public service for the benefit of the citizenry.

Improving public service effectiveness – Professor Levine

The main presentation of the seminar was given by Professor Richard Levin who discussed the need to build public service effectiveness in South Africa.

During the past ten years, South Africa’s fledgling democracy has taken root. However, with this were certain negative developments such as a marked disproportional sharing of resources and the noticeably ever-widening gap between the proportionally small percentage of high earners and the poor. This form of social polarisation that is, ironically, an end-product of skewed economic development, is a common feature in many developing countries.

Even so, a review of previous budgets over the past ten years clearly demonstrates a longstanding commitment on the part of the State to a redistributive development agenda to rigorously

Building the Capability of the State for the Future: Integrated Governance and the Developmental State
improve the lives of the citizens through quality service delivery. Every year, large sums of money are being spent on poverty alleviation programmes while there is a constant struggle to explore new ways to deal with developmental imperatives.

**Challenges that are critical to development**

Of these, Professor Levin glossed over a few that could be regarded as critical. First off is the issue of people participation. An aspect that has over the years formed the basis for liberation and also later on the South African Constitution, this principle stands for the promotion of public participation in government. Government is obliged to listen to the citizens through public consultations.

To date, government can pride itself on a number of initiatives whose inception involved intense public participation, e.g. those at the Department of Water Affairs, the *imbisios*, cabinet outreach programmes, etc.

Integration, according to Professor Levin, still remains an enormous challenge to government, particularly as regards planning and implementation across and within spheres. As evidence, many programmes do not yield any intended outcome because of the disjointed nature of our structures and of course our failure to systematically coordinate.

The bottom line is making the intergovernmental relations framework work whether through new legislation or otherwise. This is further complicated by the notion of "a single public service" that, to many, is regarded as an ideal remedy for all delivery related problems.

Accountability and transparency are indispensable to good governance. However, in practice they are quite illusive because of their multifaceted nature (technical and political) and also because of the structural complexity of government. Technically, there is the challenge of legislation/policy-guided implementation as underpinned by the Administrative Justice Act that requires policies, procedures and capacity in public service and civil society; the PFMA; decentralisation of HRM; and, of course, anti-corruption mechanisms.

There have been notable successes as regards intervention by government, e.g. Eastern Cape, with impressive results. However, what emerged has been the lack of capacity for strategic intervention that steers clear of pure activities.

Human resource management in other countries, e.g. New Zealand, has at some point pointed the private/business sector route as being ideal for the public service regardless of the glaring dissimilarities between the two sectors. Such international experiences should concenrist South Africa to the fact that HR management in government needs cross-fertilisation from engaging with other sectors and a reorientation towards impact/effectiveness.

The more recent attempts at HR development, e.g. SMS, are highly commendable, particularly from the point of view of skills retention. This, therefore, has to be generalised to the lower levels where the need goes beyond retention to development, as this is the point of interface between the government and the citizens.

Tied to this is the aspect of performance management, which at the moment is quite patchy and needs to be strengthened. Government does not have an effective performance management framework that can ultimately promote and monitor responsive developmental aspects such as Batho Pele.

Professor Levin stressed the importance of an impact-monitoring tool to help monitor and evaluate the efficacy and relevance of staff development interventions in government. Monitoring and evaluation applied at a purely operational level would require the strengthening of existing systems such as the OPSC to enable them to properly gauge and where necessary improve the performance of the State. A co-ordinated performance evaluation and monitoring of the government in its entirety requires us to have common definitions and indicators as well as a supportive strong statistical system.

**Peter Franks (Academic)**

In his response to Professor Levin’s paper, Professor Peter Franks, an academic, called for a more grounded approach to public management — a sort of people-centred perspective (revolving around values and culture and pure willingness) to performance related problems as opposed to theories. The public service is full of baseless policies and frameworks that barely reflect the factual and observable situations. We look at technical solutions for pure developmental/behavioural problems. Professor Franks called for an understanding of the underlying performance related problems, as a basis for authentic performance management.

Culture-based workplace problems manifest themselves in different ways: Confusion of value systems and roles is one of them; clearly noticeable when managers hesitate to discipline staff members for fear of being perceived as “selling-out” — particularly when the people are somehow related.

Discipline is, in many instances, complicated by the issue of ethical frameworks in the form of affiliation to unions. The survey in Limpopo has shown for instance that support for unions is lowest at middle managers and highest both at SMS (with a considerable percentage of people at this level coming from unions) and junior level. This leaves middle managers feeling unprotected and vulnerable.

Development in the country has over
the years been rather skewed with an urban bias. The high concentration of RDP houses in urban rather than rural areas bears testimony to that. Also noticeable is the general lack of a solid people mobilisation strategy in government to change people’s attitudes towards existing systems.

On corruption, again Professor Franks cautioned the delegates about ignoring the little things that matter most — public servants not doing their work, lack of work processes and enforcement channels. Somewhat tied to that is the conflict of world-views and value systems of public servants — e.g. the working hours phenomenon. People go home at certain designated times and work does not continue. Also the issue of leave arrangement remains a problem.

Lastly, Professor Franks emphasised the need for affirmative action to redress the imbalances in terms of job distribution in government rather than affirmative appointments.

Mr Nkenke Kekana (Private Sector - Telkom)

As a point of departure, Mr Kekana pointed out areas of consensus, “synergy at the level of ideas” and this revolve around questions such as “where the state finds itself” and what needs to be done”.

As one of the positive results of globalisation and the free-flow of information, South Africa can now model itself with other countries with similar characteristics. The end result is that there are many traits that run parallel between most post-colonial countries, a factor that highlights the importance of networking beyond our borders.

However, like in many other post-colonial countries, economic imbalance still remains a major concern in South Africa. Our economy has scarcely produced a strong middle class, particularly one made up of black business people. Civil servants make up the bulk of the middle class. We have “two economies” co-existing with a large majority of people servicing the economy while they themselves have no capital.

The last ten years have been largely inclined towards reconciliatory activities. However, the focus needs to shift towards the politics of reconstruction of the country and the role of the state in that. The challenges of the past ten years have proven that South Africa has two valuable strengths: stability and a consolidated political system. The level of participation of citizens in many important aspects of our democracy is considerably high as can be seen in the high voters registration, particularly in rural areas. Such participation in the economy leaves much to be desired.

However, much has to be done to encourage all-round participation in the economy of the country, which includes, amongst other things, supporting small business development.

Service delivery

Democracy, according to Mr Kekana, comes with some firm obligations for the State, namely delivering services and bettering the lives of the citizenry. Fulfilling these roles is contingent upon the State’s capacity, the same capacity that can earn or lose the State legitimacy as a democracy. This responsibility remains a crucial determining factor of the credibility of the State, even though it could be outsourced to other stakeholders.

Delivering in a highly participatory democratic terrain can be quite challenging. Ironically, it requires openness and transparency, two values often deliberately ignored because of the enormity and variety of obligations that come with them, e.g. diversity and scope of needs, and having to act responsibly to them. However, there are many ways to help capacitate the State to respond accordingly, i.e. outsourcing, using technology to provide services more affordably and conveniently to all citizens.

ICT tools can facilitate free flow of information beyond physical boundaries with enormous positive results in service delivery. However, with that comes the responsibility for the State to establish connectivity (intelligibility) between its key systems to allow exchange of information. Mr Kekana’s suggestion is the establishment of an effective and equally flexible centralised system, or revamping of existing ones (like SITA), to encourage creativity and innovation. Such reforms might also include the reviewing of roles and capacity of chapter 10 institutions to encourage independent monitoring that is free from interference.

Lastly, Mr Kekana emphasised that while acknowledging the countless achievements over the past ten years, the State still has some crucial challenges that urgently require intervention. These include the enforcement of compliance with regard to financial accountability, setting up of uniform standards across the three sphere of government for easy monitoring and the alignment of political leadership.

In a broader sense, South Africa has to take the lead in developing an African economy. This would involve firstly aligning itself with neighbouring countries to form regional economic blocks to balance or counter forces of globalisation. But, of great importance, these initiatives should be formulated around the principle that power remains with the citizenry at all times.

Mr Steven Friedman (civil society)

From a civil society point of view, Mr Friedman reiterated the importance of information flow between government and citizens as well as co-ordination and citizen participation in governance.

Mr Friedman advised delegates to be wary of some existing assumptions such as that chaos is always dangerous. What is dangerous is government’s tendency to co-ordinate everything at the top and imposing “standardised” overarching developmental frameworks. Government needs a healthy tension between its three spheres with the citizenry at the centre. Co-ordinating at the top, as has been proven in many instances in government, results in a disjuncture between frameworks and actual obtaining realities. The fact is, reality is unruly, uncertain and needs to be responded to rather than being controlled from the top and losing focus on the main constraints of policy implementation and capacity to deliver.

In addition, he drew people’s attention to the often subtle but equally important differences between government and business. Business principles imposed on government would compromise citizen choice and the responsiveness of government.

The delivery of services is often
always associated with the public service. However, in essence the delivery of services revolves around public servants who work within a certain culture and ethos characteristic of the public service. It is imperative to establish whether there are incentives and disincentives in the public service.

Mr Friedman warned against latch- ing blindly onto the term globalisation as it has been proven to result in people losing sight of local solutions to domestic problems in favour of international best practices. Equally, attributing blame for local problems to globalisation tends to divert us from the realities that are, more often than not uniquely local.

Voice versus Participation: South Africans, according to Mr Friedman, have not yet managed to achieve representative (participatory) democracy. Representative democracy can be measured by the proportion of people with access to services and in South Africa that proportion is very small.

Instead of allowing people to “voice” their needs, government has a tendency to lock itself up in forums. “Contraptions” such as forums are a layer between government and people that leaves people voiceless. “Voice” is about differences between people, their issues and needs that should form a centre of policy formation. Implementation happens when people have voice.

In conclusion, he suggests two ways of dealing with “voice”. Firstly improving the quality of information we provide in a way to make people aware of their choices. The second way revolves around taking people’s choices seriously and acting responsively. In a developmental state, active citizens are an important asset. Active participation and partnership are the main pillars of democracy.

Plenary discussions

From the above presentations, many critical issues emerged and these were deliberated upon and intensely discussed by delegates. In the deliberations, these various issues conveniently took the form of themes.

The developmental state: When working towards capacity building to develop our state we should always be wary of our social and economic inequalities. Any state that considers itself to be a developmental state should be strong enough and determined to deal with all forms of inequalities, and also be committed to heeding “the voice” of the people through encouraging participatory democracy, transparency and accountability.

Integration and co-ordination: Succinctly put, complications associated with the non-existence of these two factors as have consistently appeared over the past 10 years revolve around the discord between planning and operation, i.e. what kind and what amount of resources should/should not be committed to which programmes and why. Other concerns that hamper co-operation include the lack of management and functional skills. Co-ordination exists only as far as national frameworks are concerned while the implementing/operational level is adrift.

South Africa needs a shared commitment to development around which the developmental agenda together with all frameworks would be coherently structured and consolidated within the three spheres of government. By its nature, co-operative governance would enable the national sphere to facilitate sufficient resourcing at other levels and assists in removing bureaucratic blockages.

We should be wary of the following issues:

• That integration and co-ordination should not be regarded as solutions to all problems.
• That some environments lend themselves more to innovation while others may require systematisation (dichotomy between innovation and systematisation). Flexibility and standardisation are not mutually exclusive although they lead to questions regarding “overkill through regulation”. Sometimes we might consider amending rather than creating.

Participation: Active people participation is one of the fundamental pillars of democracy and a key guiding principle in a developmental state. However, far from being a straightforward concept, participation may mean different things and can take different forms in different communities. A common factor in all these differences is listening to the voice of the people. Government has to act as a facilitator to constantly involve people in choosing the kind of services they would prefer and the manner of delivery. We should be wary of the many organisations involved in communities that are often survivalist and not voices for the poor.

Capacity and capability: Though largely related, these two concepts refer to different aspects. The latter is broader and includes issues of attitudes, beliefs, ethics, behaviours, etc. perhaps in this case, attributable to public servants. Capacity overemphasises quantity rather than quality. Government needs to look at capacity from the perspective of institution building.

Institutional development and proper alignment should precede individual training.

Capacity and capability are inseparable from skills. To attract valuable skills it is crucial that we review our recruitment procedures to see whether they are ethical. Also important is to ensure that we mentor and build skills capacity for rotation or redeployment. Poaching from the private sector has been proven in New Zealand to be risky because of the difference between the two sectors. The public service needs to explore ways to generate and retain its own skills base, and transform itself into a viable career-oriented performance-rewarding environment.

However, training of individuals should be consolidated around the kind of competencies that would support institutional building. To this end, our managers need to be trained in strategic
planning, programme and project management as well as performance management.

The basis for success in service delivery is innovation. Our environment as well as training programmes should encourage and reward innovation and dedication. Calls for volunteering have been largely unsuccessful because they have been driven in an unstructured way. Besides engaging public servants over their perceptions about the work, government has to pay attention to factors that could adversely impact on the capacity of the public service such as HIV/AIDS.

Other hurdles that need to be dealt with include reviewing legislation such as the Public Service Act and aligning it to implementation as regulated by the PFMA to remove tensions. Prescriptions, frameworks, policies etc. that are required for good governance can limit the exercising of powers. Director-Generals have immense responsibility and accountability but are given very cumbersome tools. Some of the prescripts (red tape) that limit the exercising of powers and hinder the progress of projects, in particular those regarding procurement, need to be reviewed.

We need to deal with disjuncture between planning frameworks at different spheres of government. The challenge is to make the IGR framework work and to develop an all-encompassing developmental framework that allows for sufficient flexibility and innovation at ground level. The single biggest challenge, however, is the establishment of a single public service.

Encouraging information sharing: Government needs to break free from its culture of “silosim” to encourage free networking and information sharing among public servants across the spheres with incentives. Government needs strong and effective information channels (IT infrastructure) to support information management.

Also related to this are problems such as:
- Constant tug-of-war and confusion of roles between the political and administrative sides.
- Non-existence of discussion forums between Premiers and MPSA or provincial DGs and DPSA leading to disjuncture between frameworks and the needs on the ground.
- Public Service Act gives powers to Executing Authorities rather than Accounting Officers who need to manage resources.
- Prescriptive and complex frameworks that curb innovation.
- Lack of coherence between public service regulation acts such as the Public Service Act and the PFMA. For example, the PSA decentralises HR while the PFMA provides for a centralised process in the division of funds.
- Failure of key programmes such as RDP largely because of lack of clear targets, capacity to monitor and evaluate, and poor business planning.

Professional and work ethos: There is a need in the public service to constantly remind people of basic values such as Batho Pele, as well as a sense of professionalism in terms of how people do things. Far from being a paper-based set of principles, Batho Pele should be perceived as purely a natural humane way of dealing with fellow human beings — an existential value that we can learn about and share with other African countries.

For public servants to work and, where necessary, develop professionalism in their work, there need to be frameworks with clear goals with clear vision and context to help them understand policy direction of government and what it requires from them. Also important is firm exemplary leadership from seasoned managers with a developed understanding of public service issues such as the changing organisational culture, issues of equity etc.

Conclusion
It is critical that conversation (between academics, different sectors and public servants) be held quite frequently. In seminars such as this, theoretical concepts as usually contained in frameworks and practical realities and challenges that emerge as part of the experience of people from other sectors, are identified and discussed. Fundamentally, this enables the various sectors to exchange experiences and frustrations and collectively contribute valuable insights and knowledge and negotiate viable solutions.

Ten years into our democracy, South Africa is, by implication, compelled to sit back and take stock of the valuable experiences of the past. On the basis of that we would be able to adopt a more interventionist approach necessary to address the wrongs and imbalances of the past.

Many issues emerged in the seminar which, when given necessary attention, would enormously improve government’s ability to deliver services. In a global environment, for instance, government needs to find a way of balancing the external pressures of macro-economic stability and internal developmental needs.

The first decade has highlighted the need to deal with issues of unemployment and poverty wherein the State would have to contend with markets and unions. The RDP and GEAR dichotomy, for instance, reflect the struggle between external pressures of macro-economic stability and internal developmental needs.

As it emerged in the seminar, government needs to align its programmes within the ambit of an overarching development framework, at the same time being wary of the dangers of a top-down approach and a blind obsession with standardisation at the expense of flexibility. There has to be a healthy tension between spheres of government that allows necessary variation of approaches to challenges.

This sort of flexibility also applies to the existing dichotomy between innovation and systematisation — some environments lend themselves more to innovation while others may require systematisation. Flexibility also applies to being ready and adaptable to change. Some of the policies, strategies and systems we have in place were put there to address particular issues at the time to transform the way we work. Ten years into democracy, we might have to change all or some of those in tandem with the changing realities of life.

However, in our quest for continuous change and improvement we should not overlook our achievements and experiences over the years. Fact is, as much as there are challenges and shortfalls, equally there have been a great deal of achievements and considerable strides that have placed South Africa on the global map.
World Development Report 2004: 
Making Services Work for Poor People

Written by World Bank Staff 
Published by Oxford University Press 
This book can be downloaded to your computer. Alternatively, it can be ordered from the World Bank at a discounted rate of $6.50 + postage (normal price is $26 + shipping)

The World Development Report is an annual publication of the World Bank and each year it focuses on a different topic. The 2004 edition focuses on a vital aspect of public administration in the South African context — making services work for poor people. The document draws extensively on examples of a variety of service delivery improvement initiatives from around the world to illustrate the discussion.

The Report presents a theoretical framework for improving service delivery to, and for, poor people by focusing on three key relationships in the service delivery chain, i.e. between clients (users) of services and providers, between citizens and politicians, and between policymakers and providers. The poor, typically, are not powerful clients or citizens, either lacking the resources or voice to increase the accountability of service providers and politicians.

Furthermore, there is often discordance and an imbalance of power between policymakers who want to make a difference and the bureaucracy who, for a variety of reasons, lack the capacity to implement. The 2004 World Development Report argues that a breakdown in any one of these relationships can frustrate even the best intentions, and offers a variety of simple, sensible and implementable suggestions that can be tailored to each unique context and the specific service being provided.

The Report then goes on to address unique problems and issues in specific service delivery sectors: basic education, health and nutrition, and drinking water, sanitation and electricity. The reason given for this focus is that these three groups of services have the greatest immediate impact on poverty indicators and, therefore, getting these services to poor people is of critical importance.

The sectoral focus of the Report in no way detracts from its generic usefulness to public officials in all sectors of the public service in South Africa. The solution to service delivery improvement, especially in terms of improving outcomes for the poor, is not simple. Services can fail the poor for a variety of reasons, ranging from accessibility and affordability of services to the poor quality of services provided.

A pertinent challenge that is highlighted, which is very topical in South Africa, is that of ensuring that qualified and trained public officials are available in poor urban and rural areas. The Report discusses the various options of incentives, control and evaluation mechanisms for ensuring that services do indeed get to the areas where they are needed most.

With over 200 pages packed full of information, this book is a hefty read. However, the “Overview” is an excellent starting point from which the reader can jump to topics of specific interest to them in their particular service delivery context. The 2004 World Development Report is a “must-read” for all public officials looking for practical ways to fulfil the constitutional mandate of a developmental public service that protects and promotes the basic rights of all the citizens of South Africa.

Cross-Functional Teams

Brief Overview by Knowledge Resources

In organisation after organisation, individuals from a variety of disciplines are collaborating on cross-functional teams to produce dramatic business solutions. The recent explosion of global and virtual teams has made defining leadership roles, empowering teams, appraising and rewarding team members, connecting to key stakeholders, implementing communication technology, and managing cross-cultural relationships obstacles to team success.

This book provides specific advice and practical help for people in organisations who have decided that cross-functional teams are going to be an important factor in their business strategy.

Cross-functional Teams is written with practitioners in mind: executives and high-level managers who are trying to create the right vision and cultural support, team leaders who are struggling with the twin goals of getting a job done and keeping a diverse group of people moving toward that end.

Managers who are wondering how to handle all those people in their organisation who are constantly running off to team meetings, and human resource professionals who are being asked to provide training and coaching for leaders and members of crossfunctional teams.

Cross-functional Teams also offers advice on how to:

• Achieve organisational goals by igniting team creativity and accountability;
• Develop a successful cross-functional team with an effective leader, clear purpose, a well honed training plan, a diverse and empowered membership, and the required resources;
• Recognise and dismantle team barriers and build bridges to success; and
• Reward team performance and tackle the sticky issues of performance appraisals.

Cross-functional Teams will transform the way you think about teams and how your team performs.
Silence
Silence is the measure of the power to act; that is, a person never has more power to act than he has silence. Anyone can understand that to do something is far greater than to talk about doing it. If, therefore, a person has a plan or idea and is fully resolved to carry it out, he does not need to talk about it. What he talks about in connection with the proposed action is what he is most unsure of and most unwilling to do.

Søren Kierkegaard, philosopher

It took me fifteen years to discover I had no talent for writing, but I couldn’t give it up, because by that time I was too famous. Robert Benchley

What the world needs is more geniuses with humility, there are so few of us left. Oscar Levant

Only those who dare to fail greatly can ever achieve greatly. Robert F Kennedy

The Only Genuine Ideas
And this is the simple truth: that to live is to feel oneself lost. He who accepts it has already begun to find himself, to be on firm ground.

Instinctively, as do the shipwrecked, he will look around for something to which to cling, and that tragic, ruthless glance, absolutely sincere, because it is a question of his salvation, will cause him to bring order into the chaos of his life. These are the only genuine ideas; the ideas of the shipwrecked. All the rest is rhetoric, farce.

Søren Kierkegaard, philosopher

Digging potatoes
Idly the American tourist watched the Cork man dig and turn over the soil.

Eventually he called:
“Hey, buddy, what’s that you’re doing?”
“I’m digging potatoes, sor.”

“Potatoes? Those small things? You call them potatoes? Back home in Iowa we have potatoes ten times that size!”
“Yes, sor. But you see. We only grow them to fit our mouths!”

The faith healer
The news had spread like wildfire round Dublin. At the Point Theatre on Saturday there would be a very special event. It would be the only appearance in Ireland of the world-famous Brendini, the faith healer. Tickets sold like hot cakes and come the evening the theatre was packed out two hours early. The audience sat in great expectation of the wonders to come and many a one began to feel a little over-come by the importance of it all.

At last the moment came and the public address boomed out the news:
“Ladies and gentlemen, please meet and greet the greatest living healer. The one, the only, the fabulous Brendini!”
Lights flashed, smoke bombs exploded, fanfares blared and out strode the man himself to a standing ovation.

“Brothers and sisters!” said the great man. “It is a delight to be with you all, and tonight I hope to heal as many people as I can”—cheers, applause, music.

“Now, without further ado,” added Brendini, “I’d like volunteers on stage right now. Is there anyone out there with an affliction? Please let me know now.”

“Here, sir. Over here,” cried Murphy. “I’ve got a badly twisted leg from where the horse kicked me. I can’t stand without crutches. Can you heal me?”

“Indeed yes,” said Brendini. “Come on up. Now, is there anyone else afflicted?”


“Come on up to me,” said the great one, and O’Brien strode up.

“No,” said Brendini, “I want you, Mr Murphy, to go behind the screen,” and Murphy did.

“Now,” went on the great man, “I want you to raise your eyes to the Lord and throw out your left crutch!”
Out flew the crutch, and the audience cried, “Hallelujah!”

“Now, Murphy, raise your eyes to the Lord and throw out your right crutch!”
Out came the second crutch and the people screamed, “Hallelujah — it’s a miracle!”

“Now,” said Brendini, “Mr O’Brien, I want you to go behind the screen, raise your eyes to the Lord and say the first thing that comes into your head.”

O’Brien walked behind the screen, and said: “M-M-M-Murphy’s f-f-fell over!”

Meeting the in-laws
Young O’Brien had met the lovely Colette at university in Dublin and romance blossomed and then fully bloomed. Twas not long before O’Brien was invited back to Mayo to meet Colette’s family — the Cassidys, farmers of long standing. As always, the family gathered in the front room, or parlour, and father-in-law-to-be Mick Cassidy began to hold court on the day’s work at the farm.

While tea and cakes and sandwiches were brought in, Mick said to O’Brien:
“I’ve shovelled fourteen-and-a-half tons of manure this afternoon — have another sandwich!”

With that the big Texan came over to Murphy.

“No thanks,” muttered O’Brien.

“This morning I shovelled over fifteen tons of manure, have a custard cream.”

“No thanks,” was the weak reply.

A short time later Cassidy senior went out of the room and the young suitor said:
“Your father’s a lovely man, but he keeps talking about manure all the time. It's putting me off my grub. Can’t you get him to say fertiliser?”

“Listen,” said Colette, “it’s taken us years to get him to say manure!”