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**Embedding poverty reduction into
local government transformation: the
case of Johannesburg, South Africa**

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Why look at Joburg?

- The Joburg experience is useful for cities of middle income nations where there is a legitimate political demand for better services but the municipal budget is constrained.
- The Joburg strategy for reaching the poor was radical. The Council decided to meet the demand for equitable service delivery through fundamental reform of its' political, administrative, financial and participatory institutions.

Development Challenges in Johannesburg

1. Meeting the developmental mandate of non-racial local government
2. Urban growth, urbanisation and decline in average household size
3. Service backlogs
4. Social inequality and poverty
5. Regional instability and HIV/AIDS

	Phase 1 of the CDS: iGoli 2002 (October 1997 – 2000)	Phase 2 of the CDS: iGoli 2010 (Research and Forum process 2000)	Phase 3 of the CDS: 2030 Vision (Launched February 2002)
Context	Fiscal crisis and interim local government structure	Consolidation of metropolitan structure in final phase of interim local government	Post apartheid metropolitan government in place
Objectives	<ul style="list-style-type: none"> • 3 year revenue-led budget, credit control • Institutional rationalisation – creation of metropolitan structure • 'Privatisation' and other restructuring 	<ul style="list-style-type: none"> • Data gathering • Linked focus on economic growth, competitiveness and basic needs 	<ul style="list-style-type: none"> • Project to enhance status as an African world class city • Economic growth – increased GGP through skills development and crime reduction • Human development strategy
Participatory process	<ul style="list-style-type: none"> • Elected Councillors • Represented not elected appointments on Emergency Committee • Council negotiations with municipal unions • Appointment of 2010 Steering Committee 	<ul style="list-style-type: none"> • Elected Councillors • Extensive process of consultation through a stakeholders forum, focus groups survey research and city summits 	<ul style="list-style-type: none"> • Elected Councillors • Sector specific – proposed to include forums of all stakeholders and a 'people's assembly'

Objective of iGoli 2002

...to create the institutional conditions necessary to provide for both *growth and sustainability* for expanded and equitable service delivery

Implementation strategies of iGoli 2002

- A split between the client and the contractor
- Establishment of semi autonomous utilities and agencies for service delivery
- Devolution of social development to sub regions
- Centralised functions for metropolitan services for economies of scale
- The reduction of core administrative
- Centralised Contract Management

Financial instability and sustainability

- **Problem** ... poor capital budgeting and weak debt management; weak budget management; inefficient revenue collection and credit control
- **Solution** ...restore the City to financial stability and sustainability by improving financial planning, management and control

Poor service delivery

- **Problem ...**
inadequate
information; strategy
weaknesses;
inappropriate
service delivery
institutions
- **Solution...** ensure
effective and
sustainable
spending on service
delivery
maintenance and
development

Weak frameworks of accountability

- **Problem...** poor distribution of roles leading to overlapping mandates; lack of overarching strategic purpose; poor definitions of unit and individual responsibilities
- **Solution...** structure responsibilities and mechanisms of accountability to make clear who is accountable to whom and for what, within an integrated planning framework that ensures all parts of the City are driven by a unified strategic purpose

Administrative inefficiency

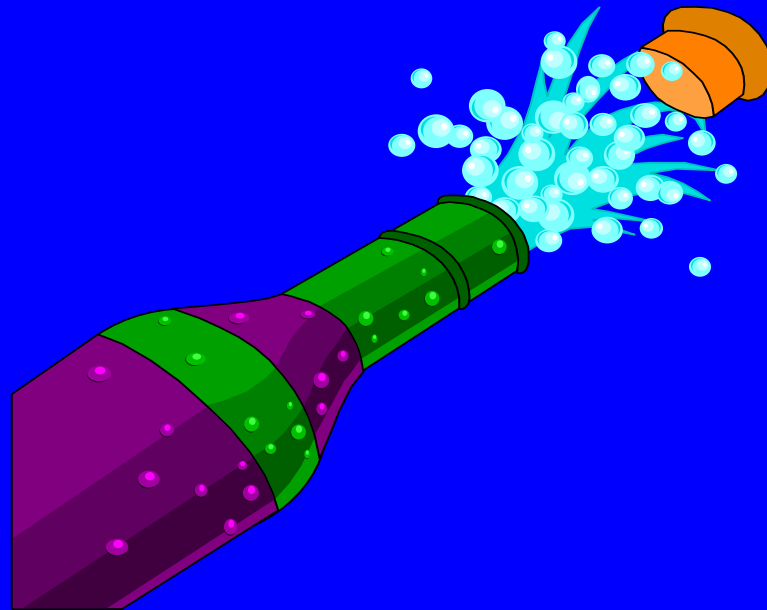
- **Problem...**
disempowered middle management and professionals; an unproductive organisational culture; inefficient administrative systems; corruption and maladministration
- **Solution...**
incentivise good management, attract highly-skilled and motivated professional staff; and upgrade administrative systems

Weak political systems

- **Problem...** operational rather than strategic focus of political leadership; poor political/administrative interfaces; and general focus on internal accountability, rather than responsiveness to citizens
- **Solution ...** Give back to councillors their proper representative and strategic leadership role, improve the decision-making system, and clarify the political-administrative interface

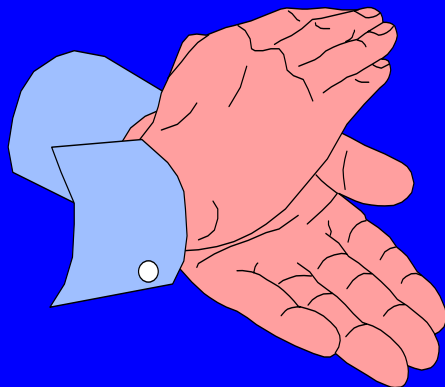
iGoli 2002

What success can be noted in each of the key strategic areas of intervention proposed by iGoli 2002?

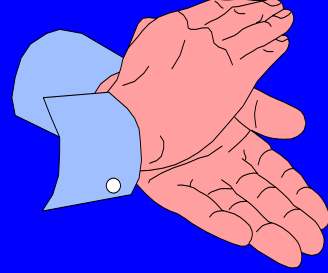


Financial stability and sustainability

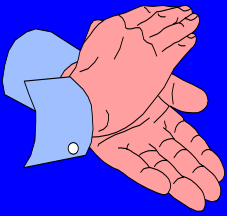
- The financial status of the city is stable, and the overall cash flow is significantly improved.
- Capital spending has resumed and market confidence is being restored.
- There is better financial management in place and further improvements are in hand.



Service delivery



- Institutional reforms have created a platform for the extension of services, though not all backlogs have been removed.
- Multiyear budgeting is facilitating longer term planning and service roll out.
- There is improved take up of resources from outside of local government.
- A clearly defined package of free services has been established including 6Kl of water, 50 kWh of power per household and a rates rebate for properties under a specified limit.
- The cost of the subsidy to the poor is reflected in the budget.

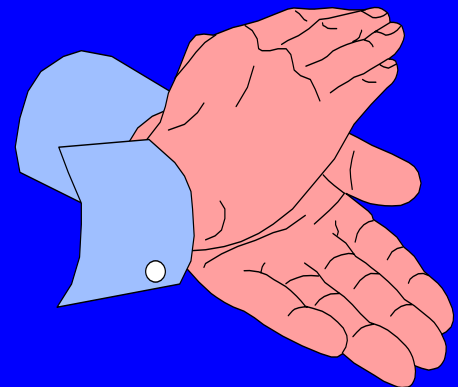


Frameworks of accountability

- Wholly owned public utilities established for the major services of water, power and waste as well as for some of the small services.
- Regional structures provide a vehicle for social development
- Johannesburg Development Agency has had notable success in inner city regeneration.
- In the political realm the definition of wards has enhanced and rationalised citizen liaison and streamlined participatory obligations of local government.

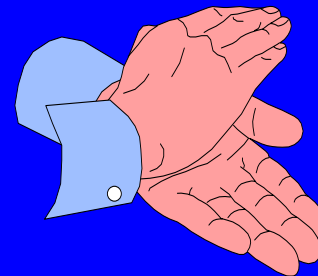
Administrative efficiency

- Transitional turbulence has begun to abate as the staff profile stabilises and institutional arrangements are consolidated.
- There have been some efficiency gains through incentives for management, but this success is uneven and difficult to assess because of lack of verifiable data.



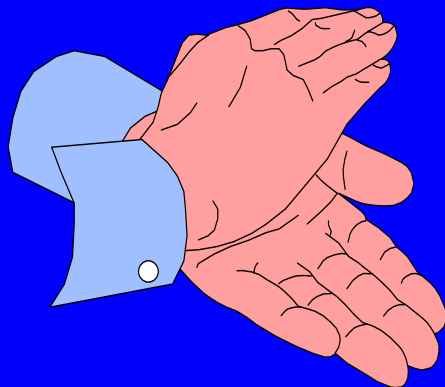
Political systems

- Metropolitan government allows for city scale planning and redistribution.
- The cabinet style political system under the Mayoral Committee is working well under quality political leadership.
- Ward Committees are increasingly important, giving power back to political parties.



Public participation

- Democracy and universal suffrage at the city scale is entrenched.
- Consultation with key stakeholders over medium term priorities was driven by the City
- Varied methods and techniques were adopted to maximise the input of poor and traditionally disadvantaged communities.



Lessons from Joburg...

Challenges, constraints, and risks faced by local governments

- Without expansion in the budget it is impossible to keep up with a growing population or address service backlogs.

Methods and techniques to prevent or manage problems

- Political intervention to solve crises may provide short-term relief, but is not a long-term solution to city management.
- Collaborative action of political and administrative staff is key to major changes.

Arrangements, and practices to bring about desired results

- Sound information management is necessary for problem diagnosis and measuring impact.
- Effectively funded mandates for local government are imperative to maintain legitimacy of city government.
- Technical and political reform must occur simultaneously.
- Civil society must be organised at the city scale and be able to engage beyond narrow interests.

National support is essential to city transformation and delivery

- National government supported Joburg's institutional reforms because delivery to the poor is a Constitutional obligation in South Africa and because Joburg is the nation's economic heart.

Finally, a note of caution in following Joburg's route...

- The devil is in the detail of the design and execution of iGoli 2002 reforms. The most important lessons are issue specific and not general.
- The scale of transformation undertaken in Johannesburg is vast, and the impacts are only slowly emerging. Long-term success and failure may be more important than the short-term gains that have attracted popular attention.