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Commentary

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Greetings from Johannesburg. It's half past ten in the morning, and good afternoon to you. Thank you for the opportunity to contribute to this discussion. I'm very mindful of time. I've been told several times by the chairperson to keep my remarks very short, so I will try and do so.

I am not really going to be responding to Sue's paper in the form of a critique but really, what I want to do is to give you a perspective from the city. Everything that Sue has said, I don't necessarily disagree. In fact, I would say, that I probably agree with most of what she says.

What I thought of doing is to give you a perspective from a different prism, and the prism that I'm really using is that of a practitioner. Somebody who has been involved in the city for the last nine years, and I have been involved very closely with the overall transformation process in Johannesburg.

The perspective that I want to offer is based on our executive Mayor Councilor, Mr. Sanders' six major priorities and I thought that those priorities very neatly capture a summary of the high level issues that we're actually dealing with in Johannesburg. We will touch on a lot of what Sue said but obviously from the different perspective that I'm talking about.

The six priorities are: firstly, good governance. Secondly, economic growth and job creation, safety and security, service delivery, excellence in customer service, inner city regeneration, and HIV and AIDS. And I'm going to deal with each of these issues in turn.

Firstly, on the question of good governance. I think that Sue has made the point that local government in South Africa, indeed, governance in South Africa as a whole, has had to deal with responding to the apartheid past. So 1994, it's just about ten years that we've experienced democracy in South Africa whilst it was a major turning point. It's a turning point certainly for what happens at the national level and at the provincial level, or state level if you like, and certainly for local governments as well.

I think, obviously, given the historical baggage that we had, what we had to do was to non-racialize, to create in return, and democratize local government in South Africa. There was an enormous exercise. There were in the greater Johannesburg area, at that time, not less than a dozen local authorities that were actually governing. They were all based on the old apartheid past and the frameworks were created at a national level through the constitution negotiations, there was an agreement that local government should become a sphere of government. This term, sphere, as opposed to level or tier of government, is not familiar to most people around the world but the idea was that the three spheres of government: national, provincial, and local, are actually part of an interconnected intergovernmental system and the idea was that they are closely related but independent.

So we've never had to face the problem, since '94, of decentralization because it was guaranteed by the constitution. So in a sense the task was actually a different one.

Over the last ten years as Sue has explained, we've almost experimented with different forms of democratized local government in South Africa. For probably about six to seven years in over the last ten years, we had a model of local government that we now co-fragmented. At that time there were smaller decentralized entities within the greater Johannesburg area, but subsequently, we came to the realization that what we needed to do was to actually to give coherence to local government by creating a single entity or what we call a uni-city.

I know, when after I came from overseas, what I found in a lot of cities is that very big primary cities like Sydney for example, has got dozens of local authorities. We found that for a transformative city, that kind of model was not actually working. So one of the big changes that we effected was basically creating what we call uni-city.

We also, in 2000, elected an executive mayor modeled loosely on the executive mayor model in the United States. And those were some of the fundamentals that underpinned this new system of local government.

But in a sense, I think governance doesn't really stop there. Governance is a much more thorough-going process, concept, and idea. And after the essentials were put in place, I think, what we have been doing over the last couple of years has really been to begin to engage with the idea of participation, consultation, and engagement with our local communities. In fact not only local communities, but having stakeholders across the board.

And the idea was that we started conceptualizing government at the local level along with our key social partners, including the business and the trade unions, and not only trade unions in the municipal sense, but trade unions as representatives of labor in the city. Obviously, community-based organizations representing grassroots interests and NGOs.

We've tried and basically worked with a number of mechanisms that enable us to effectively engage with communities, and I don't really want to go into that in detail, but I think really, that has been our focus.

Also on the question of good governance, the issue that Sue raised, I think was very important, was the question of financial sustainability. In '97, '98, we hit a major financial crisis. I think what needs to be borne in mind is that local government in South Africa gets a miniscule proportion of its revenue from intergovernmental transfers, something like ten percent. The balance is actually locally raised service charges and rates. Basically property rates, also taxes and service charges. Service charges come in the form of payments for water and sanitation, and electricity, which traditionally have been provided by municipalities in South Africa.

And for variety of reasons, when we actually put all of the local authorities together and given these apartheid legacies what we found was that, and I must say through some level of mismanagement we hit this financial crisis. What we realize is that there was some kind of bail-out by central government, not massive, but certainly there was an

element of that. But a lot of what we have been doing over the last couple of years have been focused on maintaining financial sustainability. I should also say that fiscal decentralization is one of the central ideas that underpins democratic local government in any part of the world and certainly something that we hold dear and treasure very much. We wouldn't want to be financially dependent and we put into place a number of measures. I think that maybe it is important to say that at this point, we haven't fully dealt with the issue. We still have challenges in relation to this and a number of efforts are currently on their way now.

I want to move on. The second issue is economic growth and job creation. Again, a bit of background, as far as local government in South Africa is concerned, local economic development has never been one of the core functions of municipalities.

But since the mid-90's, in keeping with the international trends as well, there has been this move towards municipalities beginning to think about economic development. And I think that we've done a lot of work on this issue and consequently, developed something we call the Jo'burg 2030 strategy. And as our long term vision and strategy taking us into the future, it is underpinned by economic model which basically says that the city should play a key role and should be a very active agent of economic development.

I think we are also mindful that we are not fully in control of all the levers of the local economy. For example macroeconomic policy, trade and industry policy, fiscal policy, and so on, are determined elsewhere. But within the scope of the powers and duties and influences that we have that we should begin to play a key role in this regard. That has in fact been a _____ change. It's been a _____ change because in the past it was never dealt with.

Aside from the normal source of issues that people deal with when looking at economic development, the issue like competitive advantages and growth sectors of the economy, supply change, skills development, we've also had to deal with the peculiar legacy of apartheid which basically, which is not only a system which was based and raised but also the configuration meant that black people were essentially poor and disempowered, and whites were in control of, commanding the economy. We've also have to deal with what's called in South Africa, as Black Economic Empowerment, which basically means that there has to be a great level of equity, ownership, and control of the economy across the board. And we have been pursuing certain services in that regard.

I just want to move on to the third issue, which is safety and security. I think it's well known, and perhaps exaggerated, that South Africa faces severe problems as far as crime is concerned. Certainly, Jo'burg has been one of the cities that has been plagued by this particular problem.

It also should be noted that policing is actually a national function. But what we've done, we've actually taken a number of initiatives to address the problem of safety and security as one of the city's key priorities. Firstly, about two years ago, we established something called a metropolitan police department, which basically does things like traffic policing, as well as crime prevention. Thus far, we've been able to appoint, in addition to the normal police service, about 1,200 officers, and we believe that we will grow this to about 3,000 police officers over the next three or four years.

Essentially, what we've been dealing with, the strategy has been to look at safety and security from a comprehensive viewpoint to look at the entire value chain if you like, of the local criminal justice system and begin to unpick it and assist other parts of government that actually sponsors different parts of the penal justice system.

I know this sounds a bit of gobbledegook but what I mean is, we've been working with the police, with the justice department that is responsible for the courts, we've been working with the prosecutorial authorities which is also part of the justice department, and we've been working with correctional services that's basically responsible for prisons. And the idea is to create a seamless local criminal justice system. The achievement of that particular objective is at some distance, but I think that we have put a lot of the essentials together. I don't want to go through the kind of initiative, as I have just about five minutes left.

I'll try to move on to an issue that Sue raised I think quite a lot which is very central to our efforts and that's the issue of service delivery and excellence in customer service. Once again, the specter of apartheid raises its head. For anyone that has visited South Africa and Johannesburg in particular will see basically two worlds in one: a very modern first world city, and first world economy, co-existing almost side-by-side by third world society and economy. So basically, in certain parts of the city, and a very large part of the city, you have full provision of services, issues like existing water, sanitation, electricity, and so on, are non-issues, in fact.

In other parts of the city, in separate special localities, you basically have the old, the parts of the city that are completely underdeveloped. So the challenge has been to address the service delivery inefficiencies. And what's happened and certainly the results of the 1996 and 2001 censuses that Sue used have shown that we have increased existing services. I think that's something that we believe we can get right certainly in the next decades. It's not a major issue, in terms of our ability to actually deliver and the resources that are required.

But the problem actually is – we are now redefining that problem to focus on customer service and something for the people. In other words, I'll explain that ... What we have is a huge population that basically want existing municipal services but are often not treated the right kind of way. I guess it happens with bureaucracies in any part of the world. If a patient goes to a local clinic or a local library ran by a council, does that patient or reader get the kind of service that he or she would expect and this being a major initiative at what we call *batupili*. Batupili means people first, it is derived from a local language.

(Some text missing.)

So, that's been the almost secondary push that has come after a huge initial push on improving access.

The last two issues I'm going to deal with very quickly. The one is the issue of inner city regeneration. We face, like many US cities, they have faced over the last two or three decades the decline of the inner city areas. What we found over the last ten years is that business investments have actually fled to other parts of the city, to decentralized nodes, and consequently, the emergence of crime and grime is also a central problem within the inner city. We've embarked on, I think, fairly comprehensive initiatives in relation to

investment, to generating partnerships, and public investment, which I think are beginning to yield results in the form of private investment. (I'm almost out of time).

The final point on the six priorities that I spoke about is the issue on HIV-AIDS. This is something that is a major problem for us. It affects families, it affects the society as a whole, it affects the economy. We've had to take and develop a fairly comprehensive approach based on treatment, based on mitigating the effects on the economy, based on education and behavior change. These comprehensive package of initiatives are really intended to basically manage the epidemic and hopefully towards stabilization and eventually decline over the midterm.

Can I just say as a concluding remark that, I guess we've had ten years of democratic local government in South Africa. It's been a very momentous period. We've had major ups and downs, lots of stops and stocks, but I think that for me there are a couple of underlying things which one doesn't see. I think the one is democracy and good governance. What do I mean? People need to be given the opportunity to influence the direction of local government and I think that in our context this is a very important issue. I think there's also been a fairly strong political will to addressing the problem. Certainly, our mayor and our previous political leaders in the city have actually gone beyond the call of duty to ensure that transformation actually happens. In the final analysis, what we're seeking to do as a city is to create a quality of life that is on par with the best in the world.

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