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METROPOLITAN UNICITY DEVELOPMENT IN SOUTH AFRICA: A CASE –STUDY OF THE GREATER JOHANNESBURG AREA

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ABSTRACT

The Municipal Structures Act, 1998 (Act 117 of 1998) proposed a unicity for the major metropolitan areas in South Africa. Consequently, six metropolitan unicities have been established, namely, eThekwini, Tshwane, Ekhuruleni, Nelson Mandela, Cape Town and Johannesburg City Council. This brought to an end a lengthy and controversial policy debate on the form of metropolitan governance that is most appropriate for the local circumstances in South Africa. The City of Johannesburg Metropolitan Municipality comprising Midrand, Modderfontein, the Northern, Eastern, Western and Southern Metropolitan local councils has ushered in major changes in the administrative, operational and financial structures of the Greater Johannesburg metropolitan area and its environs. Johannesburg is the largest city in South Africa and has a population of 2.8 million people and produces 16 per cent of the country’s wealth. The iGoli 2002 Plan seeks to address the financial and institutional problems experienced by the former councils by enhancing service delivery, promoting accessibility and facilitating community participation in governance. The Plan feeds into iGoli 2010, which has been presented to the national and provincial government, labour, business and the local citizenry. Utilities have been established for water and sanitation, electricity and waste management whilst agencies have been established for roads, stormwater drainage, parks and cemeteries. These services collectively constituted 50% of the council’s staff and operating budgets and this move was aimed at ushering in sound management practices, improving the quality and coverage of service delivery and ensuring financial viability. Certain functions not considered as core business and which constituted 3 per cent of Council activities, namely stadiums, non - strategic land, Metro Gas, Rand Airport, Fresh Produce Market and Airport has been privatised and will raise much needed revenue to finance infrastructure. The Zoo, Civic Theatre, bus service and council – owned farms have been corporatised. Corporatisation is seen as key to the delivery of specific services and for improved performance. The core management of the council (excluding utilities, agencies, and corporatised units) has been split into a central administration which performs the client “function” and the regional administration responsible for the “contractor function”, namely health care, social services, housing, library, sport and recreation facilities. Critical factors seen as key to the success of the transformation process includes inter alia, strong political will and support, partnerships with labour, business and the local citizenry, sound financial management and regular flow of information to all roleplayers and stakeholders.

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1. INTRODUCTION


Johannesburg was declared a metro area and a category A municipality was established in terms of the Municipal Structures Act, 1998. It heralded the establishment of a metropolitan unicity stretching from Midrand in the North to Orange Farm in the South and was the culmination of the transformation process which started in the early nineties. The new Council comprising Midrand, Modderfontein, the Northern, Eastern, Western and Southern Metropolitan local councils has ushered in major changes in the administrative, operational and financial structures of the Greater Johannesburg metropolitan area and its environs. Johannesburg is the largest city in South Africa and has a population of 2.8 million people and produces 16 per cent of the country’s wealth (City of Johannesburg, 2002c:5). This paper will critically review the establishment of the new Council focusing on the legislative and management considerations in the context of institutional development. More specifically, it will examine the challenges relative to organisational restructuring and structural change with particular emphasis on service delivery.

2. TOWARDS METROPOLITAN GOVERNANCE IN SOUTH AFRICA

On a global level, people have been attracted to the urban areas as a result of the globalisation of the local economy. Furthermore, the increasing mechanisation of the agricultural sector has reduced employment in the rural areas. Consequently, people have tended to move out of the rural areas to the cities and the resultant effect has been a negative impact on municipal services and more specifically increasing unemployment, homelessness, poverty and an increase in crime. The move towards a metropolitan unicity reflects a global trend that seeks to address
decreasing disparities in income and service levels and at the same time ensuring overall growth throughout the metropolitan area. This has been dictated by inter alia:
- the world urban population has increased by 29% in 1950 to 47% in 1998 and it is projected to reach 55% by 2015;
- four out of five people are urban dwellers in Europe and North America; and
- in 1975, there were only five megacities globally that had a population of ten million.

In 1995, this had increased to 15 and it is estimated that by 2015, the number will increase to 26 (Kongwa, 2001:50).

The ushering in of the metropolitan unicity in South Africa has to be seen in the context of this global trend.

It would appear that there has been a global trend towards unicity governance. It is interesting to note that of late debates on municipal restructuring has been high on the agenda for all Canada's major urban areas following the ushering in of the metropolitan unicity in Toronto in 1998. Although the key consideration has been the desire to save money, another factor that has emerged is that the two-tier urban system pioneered by the Province of Ontario has in fact been problematic (Sancton, 2002:179). Some of the arguments against the system that were highlighted by several of the Canadian cities that opted for change are summarised below:

- moving to one level of government would eliminate the necessity of setting up similar departments at both the regional and area municipality level. This should eliminate the tension currently existing around the delivery of services where jurisdiction is shared between the two tiers;
- citizens would only have to deal with one level of government and hence should not be confused about the level of government responsible for delivering services.;
- there are serious conflicts between city and non-city politicians who interfere with and retard the development of policies to serve the citizens of the region. The regional government is hampered in its ability to plan and provide services on a regional basis;
- the structure blurs local accountability and hinders accessibility with the result that it cannot respond to the citizens easily;
- the structure results in resources not being used as efficiently as possible; it is more expensive as there are more elected officials, administrators and facilities; and
Quite often, all units except the regional level become little more than tax collectors for the regional government (vide Sancton: 2002, 182-184).

It would appear that there has been sufficient justification for the ushering in of the metropolitan unicity internationally. It will however be some time before the full impact of the new councils being ushered will be felt and furthermore one could say with certainty that the desired objectives have been reached. It becomes even more difficult to quantify the expected benefits in developing countries like South Africa given the challenges that has to be addressed in relation to service delivery.

2.1. Metropolitisation: The South African Context Re-examined

In the South African context, it was accepted that decreasing disparities in income and services across the entire metropolitan area would promote overall growth thereby benefitting all residents. Although fiscal considerations constituted the main reasons for ushering in metropolitan government, considerable emphasis was also placed on the need for spatial integration, in relation to metropolitan land-use planning, transport and bulk infrastructure planning (Woolridge, 2002:131).

A two-tier system of metropolitan government was introduced in 1993 following the ushering in of the Local Government Transition Act, 1993 (Act 116 of 1993). At that stage, given the urgent need to introduce non-racial and democratic local government, there was no detailed consideration given to the system of metropolitan government most appropriate for South Africa as the restructuring process itself was high on the agenda. Following the first democratic elections held in 1995/96, the then new metropolitan councils embarked on the complex process of establishing substructure councils and carrying out their constitutional mandate.

A policy debate was initiated in 1997 to define a final system of metropolitan government and reconsider the designation of metropolitan areas. At that stage, the Green Paper on Local Government (Republic of South Africa, 1997: 57) proposed a number of options ranging from a weak metropolitan legislature to two tier systems with either weak or strong metropolitan powers and a metropolitan unicity option. The experiences of the then two-tier system prevalent in six South African cities actually influenced the thinking that emerged then, namely that the mere existence of a metropolitan government does not guarantee development of a single city unified politically, administratively, spatially or economically or even a single tax base. Some of the defects identified and highlighted in the system at that stage included inter alia, excluding settlements on the periphery of the metropolis which would lower the per capita tax base between localities. The resultant effect of this was that the development of a single tax base was being undermined as the powers and
functions were allocated in such a manner that the metropolitan tier was unable to redistribute revenue across the metropolis. Furthermore, the manipulation of the allocation of powers and functions which was critical to the metropolitan tier's ability to regulate the economic use of space, notably land-use, transport and bulk infrastructure planning was also cited as a problem (Woolridge, 2002:132). It was quite apparent then that the metropolitan government dispensation at that stage was undermining the popular slogan of “One City One Tax Base”.

Given the experiences of the then six interim metropolitan structures and the problems encountered, it was acknowledged that there was a need for a metropolitan system with more powers at the centre. The Johannesburg experience played a pivotal role in highlighting the deficiencies in the then interim system of metropolitan governance. The City experienced a financial crisis which was attributed to administrative confusion, duplication and wastage as a result of the negotiated allocated of powers and functions. Given the above-mentioned developments, The White Paper on Local Government proposed two choices for metropolitan governance in South Africa, namely a “strong” two-tier system and a unicity option.

The development of a policy framework for metropolitan governance in the South African context has been shaped by inter alia:
- the legal and constitutional framework which limits the extent to which cross-
  subsidisation across municipal jurisdictions is possible;
- the spatial distance between former black and white areas, necessitating a
  larger municipal jurisdiction thereby allowing for amalgamation into a single
  municipal area and tax base; and
- the specific fiscal logic applied to metropolitan government (summed up by the
  “One City, One Tax Base Slogan”) which informed policy debates about the
  most appropriate form of metropolitan governance (Wooldridge, 2002:130).

The Republic of South Africa Constitution Act, 1996 (Act 108 of 1996) made provision for metropolitan unicitites. Metropolitan areas have been defined as (White Paper on Local Government, 1998:58) “large urban settlements with high population densities; complex and diversified economies and high degree of functional linkages across a larger geographical area than the normal jurisdiction of a municipality. Economic and social activities transcend municipal boundaries and residents may live in one locality, work in another and utilise recreational facilities across the metropolitan area.” It can be seen that metropolitan areas require special consideration in any local governance system as they are viewed as engines of economic growth, have a high population density and multiple
overlapping externalities. Developing this argument further, several compelling reasons for ushering in metropolitan unicities were highlighted, namely, equitable and socially just metropolitan governance; strategic land use planning and co-ordinated public investment in physical and social infrastructure; developing a City – wide framework for economic and social development; provision of affordable and cost – efficient services ((Republic of South Africa, 1998a:59-60; Republic of South Africa, 1998b:19 and Republic of South Africa, 1998c:7).

It has been generally accepted that the ushering in of more strong metropolitan governments will ensure a more enabling local government environment and in the final analysis will assist with the economic regeneration of the major metropolitan areas and the national economy. Some of the arguments put forward in favour of the metropolitan unicity and against the two – tier system where local councils have significant powers and functions are summarised below (Wooldridge, 2002, 134; Ferguson, 2000 and Independent on Saturday, 22 April 2000):

1. the administrative and operational costs will be reduced considerably as there will be a single local government identity and administration throughout the metropolitan area;
2. the political and administrative bureaucracy will also be reduced considerably particularly when metropolitan issues have to be co – ordinated and addressed. This will also encourage bold, innovative and clear policy on urban issues;
3. integrated development planning will be facilitated and there will be greater economies of scale relative to service delivery; and
4. one budgeting system will ensure that there will be equitable and standard provision of services. In addition, some of the councils which were experiencing financial problems will become financially sustainable in the long term.

Some of the criticism levelled at the unicity model was that it is highly centralised and in fact goes against the whole notion of decentralisation proposed in the White Paper on Local Government and the Municipal Systems Act, 2000. The policymaking processes will be centralised and will be insensitive to the needs of the local citizenry. A key question that has been raised is whether it will be able to address the needs of communities living on the fringes of the cities and the rural areas. Another point highlighted is that many institutional layers will have to be created to manage the new unified city and consequently the new bureaucracy will become large and unwieldy and promote centralisation at the expense of the poor and marginalised communities (Daily News, 21 September 1999; and Ferguson, 2000 and Reddy, 2001:122-124).
3. HISTORICAL OVERVIEW: TOWARDS A UNICITY IN GREATER JOHANNESBURG

In 1994, the pre-interim arrangements were introduced to set the context for the process of transition to democratic local government, in terms of the Local Government Transition Act, 1993. The initial restructuring exercise was largely an amalgamation process. The Greater Johannesburg Negotiating Forum Agreement facilitated the ushering in of a new metropolitan government system. This resulted in 7 metropolitan substructures being established during the pre-interim phase (Woolridge, 1999:18).

Following the first democratic local government elections in 1995, interim structures were established which resulted in 5 separate political and administrative structures (Greater Johannesburg Metropolitan Council, 1998a:1). There was a division of powers and functions between the Metropolitan Councils and the subcouncils and consequently Greater Johannesburg operated at two functional levels then in terms of the social and economic dynamics. This also resulted in separate structures, different approaches and programmes relative to local activities being adopted.

It became apparent at that stage that the new structures were not functioning optimally and the councils of Greater Johannesburg was facing a severe financial and institutional crisis (Froneman and de Sousa Pereira, 2001:12). The result of this has been inter alia, a lack of focus on service delivery; no distinction between commercial and other activities, gaps between policy/decisions and implementation, fragmentation which has led to general inefficiency, duplication and lack of co-ordination; a disproportionate allocation of resources to non-core functions; bureaucratic procedures and top-heavy management structures; wastage; poor/weak management, information systems and management skills and a financial crisis attributable to historical factors, backlogs, low payments levels and the costs associated with the bureaucracy (Greater Johannesburg Metropolitan Council, 1998:1 and De Villiers, 2001:22-32). The resultant effect of this was inter alia, a rundown infrastructure; reduced services; increased backlogs; low morale and productivity and poor/underutilisation of people/funds and assets (Greater Johannesburg Metropolitan Council, 1999a:6).

A process was initiated to review the organisational structures and the Provincial Government responded by appointing a Committee of Ten drawn from the metropolitan and substructure councils to deal with mostly financial problems highlighted at that stage. The Committee was later extended to 15 and the Organisational Review Team ushered in the “iGoli

A report by independent consultants in 1998 found almost half of the then Greater Johannesburg’s R 2 billion salary bill was spent on perks for senior employees and that the council and its four substructures were inefficient, ineffective and unaffordable (The Star, 7 February 1999). In 1999, the Council had a short-term R390 million debt which it was repaying above prime and it was forced to use its R 50 million overdraft facilities, once again also at rates above prime. It also owed about R 2.7 million in long-term debt and paid approximately R 800 million a year in financing costs. The City was then also overburdened with non-payment of approximately R 2.3 billion rands (The Star, 14 February 1999).

It was generally accepted that the then Council had to address the political, financial and management challenges highlighted above. Consequently, it could be said that the intervention by the Gauteng Provincial Government and the ushering in of new legislation, notably the Demarcation Act, 1998 and the Municipal Structures Act, 1998 acted as an impetus for organisational change and the resultant restructuring and transformation process in Greater Johannesburg.

The Municipal Structures Act, 1998 (Act 117 of 1998) made provision for the establishment of metropolitan unicities. Following the December 2000 elections, metropolitan unicities were established in six of the major urban areas. Under the new system, metropolitan councils were legally empowered to establish decentralised substructures as committees of the council, and delegate powers and functions to them.

There was opposition initially to the establishment of a metropolitan unicity in Johannesburg by the then Democratic Party and Inkatha Freedom Party. The Inkatha Freedom Party strongly opposed the concept of a megacity as it "would make the Council less efficient, deny minorities a say and would create a money-eating bureaucracy which is not accountable to the local people" (The Citizen, 23 September 1997). There was an overwhelming "No" vote in a referendum organised by 23 ratepayer organisations in Gauteng. In total, 84 324 votes were cast, of which 81 684 were against a megacity and 2464 were in favour. The number of "No" votes represented 96.9 per cent of the votes cast (Citizen, 23 September 1997). The African National Congress rejected the referendum in advance and indicated that the outcome would be ignored by the Province. It also pointed out that referendums were called by governments and not private individuals. The party was of the view that the megacity model will facilitate the sharing of resources and richer areas would pay for development in poorer areas (Business Day, 23 September 1997).

A City Manager and a Transformation Manager was appointed in January 1999 to develop the key financial and institutional strategies embarked
Upon. They were assisted by a Chief Financial Officer, Chief Revenue Officer and a Labour Relations Officer. In addition, the implementation of the iGoli 2002 Plan required the employment of 39 project managers and 5 group coordinators (Johannesburg City Council, 1999a:5). The then City Manager who was appointed had a two year contract, valued at approximately R 1.4 million to revive the City's former status as the commercial centre of the African continent. The strategy adopted by the then City Manager for the revival of Johannesburg consisted of rationalisation, privatisation and outsourcing (The Star, 7 February 1999). At that stage, the view of the private sector was that the City's long-term viability could only be secured by turning it into a safer and cleaner area that would entice business back which in turn would boost the City's rates base (The Star, 14 February 1999).

3.1. iGoli 2002 Plan in Focus

The iGoli 2002 Plan had as its main objective enhancing service delivery, promoting accessibility, facilitating community participation, ensuring political involvement and facilitating local policymaking. It proposed the establishment of public utilities for water and sanitation, electricity and waste management and agencies for roads and stormwater drainage, parks and cemeteries (De Villiers, 2001:53). It should be noted that at that stage, these services collectively constituted 50 per cent of the council's staff and operating budget. It was believed that the establishment of utilities and agencies would ensure sound management practices, efficient and effective service delivery and stabilise the Councils financially. Certain activities not considered to be core business notably stadiums, non-strategic land, Metro Gas, Rand Airport and the Fresh Produce Market were earmarked for privatisation. It was felt that this only constituted 3 per cent of the Council’s business and will raise additional revenue to develop much needed infrastructure. It was envisaged that certain functions like the Zoo, the Civic Theatre, the bus service and council-owned farms would be corporatised. This would take the form of a housing company, a property and projects company, a urban/economic research institute and project-specific operations. The core administration of the Council (excluding utilities, agencies and corporatised units) would be split into a central administration which will perform the “client function” and a regional administration the “contractor” function (Greater Johannesburg Metropolitan Council, 1999a:4). An integral part of the Plan was a financial programme aimed at ensuring sustainability by reducing the operating deficit, improving payment levels, reducing wastage and improving efficiency to sustainable levels.

There was opposition to the iGoli Strategy from inter alia, the trade unions and a variety of non-governmental organisations under the banner of the Anti-Privatisation Forum. In addition, there was also opposition to the process from within the ruling party, that is the African National Congress.
Furthermore, there was also a lack of support from certain quarters within the administration (De Villiers, et al., 2001: 63).

3.2. Political, Organisational and Structural Change

3.2.1. Political Governance

The Council consists of 217 members, of whom 109 have been elected on a ward basis and the 108 in terms of proportional representation. The Council has elected an Executive Mayor who has overall strategic and political responsibility. He is assisted by a Mayoral Committee as part of a wider collective with whom he shares political responsibility. The Mayoral Committee is appointed at the discretion of the Executive Mayor and the current priorities has been defined as Economic Development and Job Creation; Public Safety; Service Delivery Excellence, Good Governance, Inner City Regeneration and HIV/AIDS (City of Johannesburg, 2002a). After assuming office in December 2000, the Mayor appointed a committee in terms of section 60 of the Municipal Structures Act consisting of only African National Congress (ANC) members. The Party holds hold 59 per cent of the seats in the Council. The Opposition Party in the Council launched legal proceedings arguing that the Committee was unconstitutional as minority parties was not represented on it. However, the Court decided that mayoral committees do not fall within the scope of section 160 (8) of the Constitution and do not require minority party representation (Smith, 2003:2-3 and City of Johannesburg, 2002c:19).

The Municipal Manager is responsible for facilitating all communication between the Executive Mayor and the administration. The ward councillors will relate to regional directors focusing on local issues and concerns. A Speaker has been elected responsible for chairing council meetings, performing ceremonial duties and generally ensuring the efficient and effective management of council meetings (Greater Johannesburg Metropolitan Council, 2000a : 6).

3.2.2. Organisational and Management Aspects

An organisational structure tends to provide clarity on lines of authority, channels of communication and most importantly defines functional relationships. The organisational design principles which guided the restructuring process included inter alia, the setting up of affordable and realistic management structures to meet corporate needs; meeting community needs; support functions being determined by core functions prioritised; a clear separation of roles between the strategic and non-strategic, client and contractor, and policy and operations; no duplication, overlapping and fragmentation; limited hierarchies; effective and efficient use of limited resources; optimal local (decentralised) and accessible services (Greater Johannesburg Metropolitan Council, 2000c:6). A key consideration in designing the overall unicity structure was the
developmental mandate of local government, namely good governance; sustainable services; social and economic development; healthy and safe environment and participation and inclusivity.

The salient features of the new structure are a unicity for Greater Johannesburg; the establishment of utilities for water and sanitation, electricity and waste management; the creation of agencies for roads and stormwater, parks and cemeteries; the privatisation of Metro Gas, land, housing, the Fresh Produce Market, Rand Airport and the stadiums; the corporatisation of the Zoo, Civic Theatre, farms, housing company, property and projects, urban and economic research and promotion and special projects; a core administration including community services, planning and development, corporate services and finance; infrastructure and contract management; creation of a metropolitan police force and transportation authority representing the client side and a centralised contractor for arts and culture, museums, sport and recreation and emergency services and regional directors contracting for local community services; a financial plan; special projects and a labour relations plan (Greater Johannesburg Metropolitan Council: 1999a: 14 and De Villiers, 2001:57). Contrary to popular perceptions, privatisation was only a small part of the overall plan.

Three types of activities constituted the basis for unicity management, namely the head office responsible for policy, regulation and co-ordination; central distribution functions that will carry out both operations and policy throughout the City; and regional administrations responsible for region specific operations.

The central administration comprises a City Manager and contract management, finance, corporate and community services functions. This constitutes the critical interface between the political component, i.e. the Council, Executive Mayor and the City Manager. The organisational structure for the Johannesburg Metropolitan Council is depicted below (Greater Johannesburg Metropolitan Council, 2000a : 7; City of Johannesburg, 2001:14 and City of Johannesburg, 2002c:21) :
Given that powers could only be delegated to committees and not individuals in the past, there has been some changes, namely a new system of reporting; establishment of mayoral subcommittees and the creation of section 79 and 80 committees. This necessitated a new interface between the executive political leadership and senior management and the establishment of decentralised political structures in the form of ward committees. There are 109 ward committees consisting of members of civil society with the ward councillor as chairperson (City of Johannesburg, 2001:2-3).

The City Manager is the administrative head of the unicity and is accountable to the Council and Executive Mayor. The Office of the Municipal Manager is responsible for facilitating corporate functions notably internal auditing, communications and strategic planning. The Executive Management Office provides shared services to the executive leadership, namely the Municipal Manager, Executive Mayor and Speaker.
The central distribution functions are responsible for facilitating the delivering of services such as metropolitan police services; heritage services; emergency management services and planning services directly to the citizens and consumers. Eleven decentralised regional administrations are responsible for providing local community services such as primary health care, social services, housing, libraries, sport and recreation (De Villiers, 2001:143). Given the closeness of the regional directors to the local communities, it is generally believed that this will ensure greater accountability and responsiveness. More specifically it is anticipated that regional administrations will, inter alia, enhance visible service delivery; ensure local, accountable and decentralised management; facilitate public participation; develop delivery mechanisms for local conditions; separate policy from operations; ensure smaller and manageable units; facilitate the development of local plans; and strengthen relations with ward councillors. (Greater Johannesburg Metropolitan Council, 2000a:24; City of Johannesburg, 2001:17 and De Villiers, 2001:143).

The different types of regions are Suburban (low/high infrastructure maintenance and extension requirements), Commercial regions (inner City and Midrand) and Priority Intervention Regions (concerted development initiatives) (De Villiers, 2001:145). The Regional administrations includes inter alia , a people's centre, ward councillor support and health, sport and recreation, housing, libraries, social development and support functions. The Regions seeks to provide local communities with information, payment and enquiry facilities. People's centres have been established in different forms, i.e. physical facilities ("one stop shops"), touch screens and information kiosks. Increasingly, People's Centre are providing services delivered by other spheres of government as part of the long - term vision where citizen's needs can be identified and met for the first time without referral. The structure of regional administrations and the Office of the Regional Director are depicted below respectively (Greater Johannesburg Metropolitan Council, 2000a:26) (adapted) :
A key consideration of the iGoli 2002 Plan was the establishment of utilities, agencies and corporatised entities which have been defined as municipal business enterprises in terms of the Municipal Systems Act, 2000. They have been established as autonomous companies in terms of the Companies Act and the overall responsibility vests in a board of directors consisting of both executive and non-executive directors. Each of these entities are headed by a managing director and together with the board has been tasked with the responsibility for developing business plans detailing services, revenue, efficiency, customer care improvements, safety standards, socio-economic development and creativity in relation to revenue generation (De Villiers, 2001: 57-58). A trading licence has been
granted to each of the companies in relation to their functions and obligations, articles of association, five - year business plans, revenue projections, performance and development targets and envisaged capital expenditure and outputs. The Council has retained the shareholding and will receive dividends or alternatively pay the subsidies. There has been some regulation relative to tariffs, capital expenditure, human resources issues, delivery targets and addressing backlogs and standards for customer care. The utilities, agencies and corporatised entities are closely linked to the regional administrations as the latter acts as a conduit for payments and complaints. It is anticipated that the regional administrations will act in concert with them to facilitate the development of local neighbourhoods and communities and more importantly tailor municipal services to meet local needs and circumstances.

The iGoli 2002Plan has been successful to the extent that three utilities, three agencies and six corporatised entities was planned and established. It is still too early to determine whether they have been successful. However, by and large there has been an improvement in service delivery (City of Johannesburg, 2002a:32-45).

3.2.3. City Development Plan

In terms of the Municipal Systems Act, 2000 (Act 32 of 2000), each municipality has to within a prescribed period adopt a single, inclusive strategic plan which inter alia, links, integrates and co - ordinates plans and takes cognisance of proposals for the development of the municipal area; aligns resources and capacity with the implementation of the plan and sets the policy framework for the development of the annual budgets.

The City Development Plan is the Integrated Development Plan for Johannesburg and seeks to address all the functions and activities of the Council and is aligned to the budget. It was developed through a series of processes involving targeted internal and external consultation reflecting the vision and emphasising critical development needs; an assessment of access to basic services; development priorities and strategies; a spatial development framework including the provision of basic guidelines for land-use management; operational strategies; applicable disaster management plans; a financial plan and performance indicators and targets. Six strategic priorities have been identified for the new City, namely Economic Development and Job Creation; Bylaw Enforcement and Crime Prevention; Service Delivery Excellence; Good Governance/Customer Care/Batho Pele; Inner City and HIV - Aids which will provide the foundation for determining the long - term City Development Strategy (City of Johannesburg, 2001:3). This in turn would constitute a comprehensive agenda for change that encompasses economic development, human development, infrastructure and services.
Particular emphasis has been placed on improved financial management, good financial planning practices and adherence to targets set by the National Treasury. (City of Johannesburg, 2001:3). There is an attempt to move beyond the iGoli Plan where the focus was internal to one which is more outward and has a City - wide focus. A key consideration has been communicating and developing collaborative partnerships and linkages with other spheres of government, trade unions, the private sector, non-governmental organisations and the local citizenry (City of Johannesburg, 2001:4).

The 2002/3 Integrated Development Plan for Johannesburg attained legal status when it was formally approved by Council in May 2003. A revision of the 2002/3 Plan was initiated in August 2002. The 2003/4 Plan is the end-product of a 12 month process of consultation and planning to improve the 2002/3 Plan. The Mayoral Priorities highlighted earlier seeks to develop a positive linkage between the Joburg 2030 Plan discussed below and the Integrated Development Plan (City of Johannesburg, 2002b:36).

3.2.4. The Johannesburg 2030 Plan

The Jo'burg 2030 Plan provides an overview of a future vision for the City that seeks to facilitate short and medium term decisionmaking in a strategic and meaningful manner. It is envisaged that the vision developed will gradually reshape the City's economy and geography and ultimately transform it into a world-class metropolis.

The Joburg 2030 Strategy has highlighted three ways in which the City will facilitate economic growth, namely create an environment conducive to economic growth; increase the efficiency of investment and embark on catalytic projects. The key challenges that would have to be addressed in creating a conducive environment are crime, skills, increasing the efficiency of investments, establishing an urban boundary, telecommunications, transport, utilities and information systems (City of Johannesburg, 2002b:34-36).

Three crucial shifts that have to be made by the Council have been identified in the context of the 2030 Plan, namely:

- it will have to refocus and move from being an administrator to a facilitator of economic growth;
- it will need to shift outwards its fundamental delivery horizon in relation to a better City.

The 2030 process is therefore substituted for the previous 2010 process; and
- it will have to reposition itself in relation to other spheres of government. Consequently,
increased support, co-operation and co-ordination from the other spheres will be critical to the success of the strategy (City of Johannesburg, 2002b:2).

It is believed that the 2030 Plan will boost investment, promote economic growth, improve the quality of life and more importantly ensure increased revenues for services. Sustainable economic growth is critical to the strategy and the Council believes that it should promote those industries best placed to take the City into the 21st century and to realign city planning around these issues (Hossack, 2002:1). Historically, Johannesburg was geared to meet the needs of heavy production sectors, more specifically the gold, mining, iron and steel industries. The economies of localisation present in the City became more outdated as the industries declined. It is anticipated that by 2030, the economic landscape of Johannesburg will be dominated by the services as opposed to the mining and manufacturing sector. In this context, Johannesburg will develop into an export-oriented hub, closely integrated into the global economy with emphasis on trade, transport, financial and business services, information and communication (Hossack, 2002:1).

The Plan is in line with government’s policy and vision of ensuring that local government become a key sphere for social service delivery and economic development. The Official Opposition, the Democratic Alliance has supported the Plan, but has also pointed out that it fell short in not addressing short and medium term goals. It believes that the Council will not be focused on service delivery but a long term goal (Business Day, 15/2/2002). On a similar note, the Johannesburg Chamber of Commerce while it welcomed the acknowledgement that historical backlogs and inequalities needs to be balanced by economic growth and development, it was of the view that if long-term objectives were to be achieved, they must be supported by short-term planning cycles. The Chamber urged the Council to develop partnerships with the private sector thereby providing more efficient solutions to problems (Business Day:15/2/2002).

There were a number of assumptions made in the formulation of the strategy document, namely that the African National Congress would be voted into power because residents would see service delivery and their quality of life improving in the years building up to 2030; and the national government would be helped with resources in the spirit of co-operative governance if a particular project is deemed to be beneficial to the City (Business Day, 20/2/2002). A major challenge for the Council is to ensure that it develops the required management development capacity to realise the 2030 Economic Development Plan.
4. CHALLENGES

The Council was established almost two and a half years ago and has made steady progress in terms of achieving the goals set out in the iGoli 2002 Plan. However, despite the fact that the Council has been on a steep learning curve, there are a number of political and management challenges that needs to be addressed, namely:

1. There is a view that the ushering in of the unicity has increased the centralisation of power. This will impact negatively on democracy, accountability and decision making at the local level. A key challenge that remains is ensuring that there is community involvement and participation in all activities of the Council. At present the ward committee is the only vehicle for participation. The members are not remunerated and consequently are not that committed and this comprises public participation. Furthermore, they have a limited knowledge of local government or for that matter the modus operandi of the Council. An added problem is that they are not readily available for training.

2. The Central Administration is responsible for policy, co-ordination and standardisation whilst the eleven decentralised administrations are responsible for implementation of policy and service delivery. The lack of common understanding of the management resulted in some central administration departments being involved in operational matters that are the preserve of the Regions and this has led to some fragmentation.

3. The relationship between the utilities, agencies and corporatised entities has to be formalised in terms of the surplus generated by the utilities and the medium-term funding requirements; nature of governance arrangements, particularly in relation to policymaking and operational independence; creation of reliable base-line data and information and the determination of specific performance indicators and targets (City of Johannesburg, 2001:4)).

4. The City has entered into Service Level Agreements with the Utilities, Agencies and Corporatised entities. The Contract Management Unit of the Council is responsible for monitoring of compliance. To date this monitoring has only been done through reports. A major challenge is conducting visible service delivery monitoring with a view to quality assurance in terms of the signed service level agreements and furthermore ensuring that they are protecting consumer and labour interests.

5. The current financial position of the City has improved considerably and is relatively stable but fragile. The executive leadership, both political and management have to ensure that they remain vigilant and practice sound financial management. The culture of non-payment has to be addressed as a matter of urgency. There is a need for strong political will and decisive action to address this issue. The politicians in particular must be prepared to make hard choices and then see these choices through in the face of opposition. It is also hoped that a qualitative improvement in service delivery will enhance payment levels.
6. The financial year of the Council is not aligned with the financial year of the national and provincial government. This has proved problematic as the province will only avail money a few months before the end of the financial year. Consequently, this has resulted in budgets for capital projects not being completed due to financial constraints.

7. A framework for intergovernmental relations between the three spheres of government has to be formalised thereby providing an enabling framework for the Council to carry out its constitutional mandate.

9. There has to be ongoing communication and a regular flow of information with the key role-players and stakeholders and more particularly the local citizenry thereby ensuring the restructuring and transformation process is brought to a successful conclusion.

5. CONCLUSION

The City of Johannesburg has undergone a process of fundamental political, financial, management, and social restructuring and transformation in the past nine years. Metropolitan government was initially introduced as a two tier system following the first democratic elections in November 1995 and thereafter as a unicity following the second democratic elections held in December 2000. A series of political, management and financial challenges necessitated the ushering in of the metropolitan unicity.

The new Council has to address a series of major challenges in terms of responding to the basic needs of the local citizenry, discharging its constitutional mandate and most importantly ensuring its financial viability given that Johannesburg is one of the engines for economic growth and the financial hub of South Africa. Given the amalgamation processes, the implementation of iGoli 2002 and the Integrated Development Plan, it is still too early to actually determine whether there has been any savings or for that matter whether the new Council is efficient and effective. The next two years will be crucial as the new policies, institutional arrangements and strategies will shape the establishment, modus operandi and ultimately sustainability of the new Council. The Council has been making steady progress in improving its financial position since the earlier crisis.

There are valuable lessons that can be learnt from the Johannesburg experience that has provincial, national and international relevance, namely:

- the ideal time period for instituting a new management team to oversee the transformation process should be approximately twelve to eighteen months;
- there can be a reduction in duplicated reporting systems and staffing. The probability is
overwhelming that municipalities could be neither understaffed or overstuffed. It is possible for staff to be retrained and redeployed efficiently and effectively in the new structure. Consequently, it may not be necessary to retrench or even appoint new staff; and senior management staff are generally committed and qualified to implement policy and facilitate service delivery. A key consideration is securing their cooperation and ownership of the process to facilitate the transformation process.

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