

**SALGA ANNUAL SEMINAR
LOCAL GOVERNMENT GOVERNANCE AND PERFORMANCE MANAGEMENT
KEYNOTE ADDRESS
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**EFFECTIVE GOVERNANCE AND PERFORMANCE MANAGEMENT ACCOUNTABILITY AS LEVERS FOR
PROFESSIONALISATION**

I was requested to reflect on effective governance and performance management as anchors for professionalisation of local government.

The presentation proceeds from the assumption that we refer to ‘professionalisation’ not as a narrow technical issue confined to skills, proficiency, ethical conduct and organisational culture within the bureaucratic machinery. Rather, professionalisation should be premised on the developmental role of municipalities. According to the Constitution, this sphere of government is meant to ensure democracy and accountability, sustainable ‘provision of services’, socioeconomic development, ‘a safe and healthy environment’ and participation of communities and their organisations (Section 152). Further, the Constitution enjoins that ‘developmental duties’ should serve as a foundation for planning, administration and budgeting (Section 153).

One, therefore, approaches the seminar’s theme from the point of view of the core mandate of municipalities which – as with the other spheres of government – is the progressive realisation of socio-economic rights, over and above political freedoms.

What then are the elements of such developmental orientation? Quite clearly, in order to meet its constitutional mandate, a municipality should have a vision of where it wants its communities to be, and by when. It should enjoy popular confidence – the legitimacy to mobilise communities behind the vision. At the macro-organisational level, it should be configured to meet its obligations. And, critically, it should have a professional bureaucracy with the technical capacity to implement programmes and projects deriving from its vision.

This is the critical context within which effective governance and performance management are meant to take place. In other words, professionalisation is not for its own sake.

As we are all aware, local government exercises original powers on matters profoundly affecting people’s lived experience. However, our constitution provides for some level of subsidiarity in relation to national and provincial policy imperatives. We have learnt over the years that constitutional powers are not meant to exist in exclusive compartments. Aside from the principle of co-operative governance, asymmetric allocation of responsibilities that takes into account the capabilities of specific municipalities, has been introduced in a number of functions.

In any case, the lives of citizens are not organised around constitutional powers and responsibilities of the various spheres. There is no delineation in citizens’ consciousness as they go about their daily lives: whether when they wake up in the morning, brush their teeth and shower, move into local and other roads, relate to others in the workplace...whether it is local government that provides the

relevant services. People simply wish to live their lives with minimal disruption, irrespective of the sphere of government responsible.

In other words, municipal performance cannot be divorced from that of the other spheres of government or from the overall state of the economy and polity; and, in this context, integration across the spheres of government, including in professionalising the public service, is as necessary as it is urgent.

Having identified these principles, how would we define the environment in which South Africa finds itself today? There is agreement across society that we face a confluence of many crises, both domestic and global. However, it would be wrong for us to labour under the misapprehension that we have to discover new things and start afresh across the board. There has been much progress in improving people's quality of life since the introduction of democratic local government some 20 years ago. While there have been stagnation and reversals in some areas, this does not subtract from the progress made. The challenge is how to build on the positive experiences while correcting the weaknesses.

In doing so, we need to treat effective governance and performance management in a holistic manner, as an integrated system with a cascading hierarchy.

For purposes of illustration, in relation to administration and budgeting, let us examine recent experiences in two metropolitan councils.

I assume we are all aware of a metro on the coast which was paralysed for many months with two municipal managers and an inexplicable failure to address the issue. Then later, as law-enforcement agencies started to act, it became clear that the problem may have had its origins in the regional office of a political party (Yolanda Palezweni, Herald Live, 29 September 2022). Inland, another metro has been found by the Auditor-General to be no longer a going concern, with billions in irregular, fruitless and wasteful expenditure, and criminal manipulation of financial statements to hide the irregularities (Lunga Simelane, The Citizen, 9 January 2023). That is besides the red flags in the same municipality about alleged political interference by the mayor in procurement processes.

These two instances underline the fundamental principle that effective governance and performance management should be treated as a cascading hierarchy. At the top of this hierarchy are political parties and public representatives: whether they respect their calling or seek to treat municipalities with arrogance and greed; and whether they have got the skills to master the many technical issues that require their leadership, such as financial ledgers, so as to ensure consistent accountability by management.

Related to this is the level of maturity to manage coalitions in a way that enhances effective governance and performance management. The permanent fights, in a recurring cycle of efforts at displacement and defensive manoeuvres for survival, have resulted in a situation in which both the incumbents and the opposition take their eyes off the ball.

The fundamental point we are making here is that, in a municipality, good or bad things often start at the political level.

And so, a cascading hierarchy entails, first and foremost, electoral mandates that should be framed taking into account constitutional imperatives; and, in turn, these mandates should be translated into medium- and short-term strategies and programmes.

In this hierarchy, citizens are the ultimate monitor and evaluator: through elections, platforms of popular participation such as Ward Committees, and even protest action. At the core of this approach is the principle of social compacting, ensuring that social partners are intimately involved in the work of the municipality and that they are able to identify not only their sectoral interests; but also, the contributions and sacrifices that they can make to promote the common good.

All this underlines the centrality of political leadership. It is therefore incumbent on political parties to have their own systems of performance management so they can ensure that their political deployees provide the environment conducive for effective governance and professionalisation.

The next and critical level of the hierarchy is the municipal establishment and the personnel who populate it.

There are many elements that attach to macro-organisation of a municipality; and I wish to underline two of these for emphasis.

The first one relates to the staff establishment – whether full-time and part-time employees are actually of the appropriate number, possess the relevant skills and are optimally organised to carry out the developmental tasks. Issues of in-sourcing and outsourcing do arise in this regard, and they need to be dealt with dispassionately with the core deliverables in mind.

The second element relates to line function specialisation and delineation, which is necessary in any establishment. But this has to be consciously tempered by an integrative administrative and operational system. The highest office in the municipality should have a Pilot Agency – a central function with both the authority and legitimacy to guide the work of all departments and agencies.

Municipal management is guided by political principals in putting such administrative and operational systems in place. But management must be given the space to manage – to set up and run the organisational establishment and the corresponding systems of administrative governance and performance management. Of course, this is proceeding from the assumption that such management has the skills and qualifications to carry out its tasks. To ensure this, we need, in my view, to re-examine the current system of appointing municipal managers, taking into account the proposal in the National Development Plan about the appointment of Directors-General.

Indicators in a performance management system for staff at all levels should include their collective technical capacity to profile the municipal environs. This requires a keen understanding of such issues as local demographics (including gender and age), the human development index, gross geographic product, and natural environmental attributes, within the context of the District Development Model.

In addition, a professional bureaucracy should have, among others, the following attributes:

- an understanding of the vision and electoral mandate and the ability to translate these into programmes and projects that are appropriately monitored and evaluated

- the skill to set up an organisational establishment that is able to meet objectives set out in the Constitution, relevant legislation and the electoral mandate
- ensuring proper systems of accountability to relevant political heads and committees so we do not end up, for instance, with professed surprise when there is cooking of the books
- operationalising a cascading system of performance monitoring and development with relevant indicators for each level of the administration
- a commitment to promote ethical conduct, with incentives that build and disincentives that bite.

Having identified these factors, we should also acknowledge that experts of performance management systems do warn against over-bureaucratisation, including what has been referred to as the Jack Welch phenomenon of employee-ranking – a quota system where managers are required ‘to grade staff on a bell curve and give low ratings to a certain share of them’ (Matthew Boyle, Business Day, 27 January 2023).

Needless to say, effective governance has to include professional financial management and good audit outcomes. But this should be combined with a conscious effort to improve people’s quality of life; so we do not end up with municipalities that boast clean audits in a dirty environment of uncollected refuse and sewage running in the streets.

In conclusion, I wish to make a few observations on other elements of the environment within which effective governance and performance management, as levers for professionalisation, should take place.

Firstly, it is necessary in local government planning to appreciate the spatial dimension – to take into account high levels of migration to areas of economic opportunity, attached to which is the critical question of national fiscal allocations as well as local land use management.

Secondly, the system of providing free basic services has become heavily fragmented and, in some instances, overly bureaucratised. It would seem that, part of the process of resolving the challenge of payment for services should include some national uniformity and simplification of this system.

Thirdly, there is the question whether the outcomes of the local government skills audit are being implemented. In addition, many municipalities provide bursaries in specialised skilled areas: what is not clear, though, is whether these skills relate to municipal needs and whether there are any arrangements for some of the beneficiaries to work in the local area for a specific period.

Lastly, there is need, in my view to ensure an activist COGTA and its provincial counterparts – with a programme to move from problematic municipality to problematic municipality, working with each one of them to correct the weaknesses.

And so, the central message is that developmentalism should be the holy grail of effective governance, performance management and professionalisation; and it should infuse the operations of all municipalities. This is what the Constitution enjoins us to do!

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