

**An analysis of the efficacy of placing ailing municipalities  
under administration: A case of Mnquma Local Municipality  
in the Eastern Cape**

By

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## **DECLARATION**

I declare that this study handed by me to the Faculty of Management and Commerce , was completed by myself , independent of any other person and that it has not been submitted previously for the purposes of obtaining credits or a qualification by myself or any other person.

All the sources I have used or quoted have been indicated and acknowledged by means of complete references.

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## **ABSTRACT**

This research conducts an examination of the efficacy of placing municipalities under administration with the overriding objective of determining the appropriate strategies that can be recommended for improving governance in municipalities. In a bid to achieve this overriding objective, the entire research process was guided by the research objectives and questions that examined; tools used to evaluate the success of provincial interventions, governance of Mngquma Municipality pre and post the intervention strategies which are used for improving municipal governance.

Although the secondary research was accomplished through the review and analysis of the relevant literatures and theories, the qualitative research approach was used in the primary research process.

The findings of the study indicate that achieving effective municipal governance in South Africa is far from being attained. In terms of the principles for effective governance, the study reveals that the effective implementations of good governance principles in municipalities is marred by factors that include; poor definitions of terms of reference of intervention processes, poor definition of what poor governance in municipalities, lack of evaluation tools for intervention and a process that is highly dependent on subjectivity which subjects it to undue external influence. In the discussions, it was argued that this subsequently contribute poor working environment, non-improving municipal governance, lack of commitment and non-improving quality of service delivery. However, it was noted that there is still ineffective applications strategies which can be used for improving municipal governance in South Africa. While considering the primary and secondary findings of the study, it was recommended that despite all the contrasting views on the intervention, there was a lot of common ground on the strategies that could be used to improve municipal governance which should be implemented in municipalities.

## **DEDICATION**

This study is dedicated to my dearest parents, my father Khulile Twalo (Xaba!) and Gezepi Sophie Twalo (MaShongwe!) for their commitment to ensuring that I had the best education from my early years. Moreover, their unconditional love displayed through inculcation of values informed by the love of God and the community at large. The study is also dedicated to my son Owam umbulelo kuThixo, whose time with his mother was compromised when I had to concentrate on my studies.

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# CHAPTER 1

## 1.1. INTRODUCTION

The primary research objective for this study is to evaluate to assess the efficacy of placing municipalities under section 139 of the Constitution in order to suggest appropriate strategies for intervention to improve ailing municipalities' performance.

Since the adoption of the democratic South African Constitution, various municipalities have been placed under administration through an intervention from provincial government. The South African Constitution under Section 139(1) makes provision for provincial governments to intervene in municipalities that are not performing optimally. Section 152 of the Constitution outlines the legislative and executive duties that should be carried out by municipalities and for municipalities to be rendered as functioning optimally then they should be able to fulfil their mandates as per the Constitution.

So far studies conducted by Georges and Romme (2011:10) reveal that "an intervention is a purposeful action by an agent to create and facilitate change in a particular organizational setting or system". It is also posited that the aim of an intervention is not merely the fulfilment of an obligation that a municipality failed to fulfil, but to ensure that it will be fulfilled in the future. An intervention thus should be solution-orientated Department of Local Government and Traditional Affairs (2008: 17). None of these studies have analysed the efficacy of placing municipalities under administration. It is therefore based on these facts that the value of an intervention should be studied.

Much as the intention of placing ailing municipalities of which Mngquma is not immune has been to improve the performance of a municipality however to date there is less evidence to support the efficacy of this intervention.

It is against this background that the study is being conducted to analyse the efficacy of placing municipalities under Section 139 as a remedy for poor governance. Although the entire research is based on this objective, this chapter mainly examines the overview, research problem statement, research objectives, research questions, significance of the study, and chapter organization.

## 1.2. RESEARCH CONTEXT AND BACKGROUND

Post 1994 South Africa had a mammoth task of redressing the public service so that it can serve the citizens equally regardless of skin colour as was previously the case during the apartheid regime. Transformation requires an understanding of the historical role that local government played in creating and perpetuating local separation and inequity and equally important is the history of resistance to apartheid that happened at the local sphere Vyas-Doorgasperad, (2010: 45). The local government during the apartheid era was structured such that the affluent white municipalities were well equipped with infrastructure, proper management systems and sufficient fiscal contribution for them to deliver services to white only areas. . Local government before 1990 moved from Administration Boards to Community councils which were rejected by through community mobilisation as they did not have significant powers and had inadequate resources.

The crisis in local government was a major contributing force that led to the national reform process which began in 1990 post the release of President Mandela. When the first democratically elected government took over it became apparent that the system of local government needed to be overhauled. There was a need to bring about more effective and efficient public service by government and its executive public sector institutions. “Local government has come a long way from the period when there were 1100 racially segregated municipalities to the current 276 municipalities which now cover every inch of the country and are focused on expanding local economies in maintaining the provision of existing basic municipal services as well as extending it to areas of its responsibility that were previously neglected” Nealer &Raga (2007:172).

The Constitution of South Africa set the tone in 1996 by prescribing the objects of a developmental local government and the principles that should guide the public sector which was followed by the Municipal Structures Act, 1998 that sought to create a blue print for governance structures in local government and the Municipal Systems Act, 2000 contextualised the present local government in South Africa by prescribing the systems that should be employed to govern the local government sphere.

Section 152 of the Constitution gives the municipalities the right to govern on their own initiative, the local government affairs of its community, subject to national and provincial legislation as provided for in the Constitution.

Since 2001, “change in terms of the governance and service delivery issues has taken place in most of South Africa’s municipalities and a firm legislative foundation has been established for improved public service delivery in the future. This should not encourage complacency because many changes remain unsolved and new issues continually present themselves” (South African Cities Network, 2004:6-2).

In their response to being developmental local government as prescribed by Section 153 of the Constitution, municipalities are not necessarily responsible for job creation but rather to create a conducive environment for job creation opportunities and should therefore provide basic services and infrastructure such as roads, water and sanitation, refuse collection and electricity. Service delivery by a municipality remains the core priority to South African government agenda.

“The system currently in existence became functional in 2001 and the result is that local government is faced with a serious lack of human resources with the required capacity to administer the new municipalities and render the wide range of services in a newly demarcated area including formerly disadvantaged communities” Thornhill, (2008:506) Vyas-Doorgapersad defines development as a “process of progressive and qualitative movement from inability to ability, from incapacity to capacity therefore it is normal to start from a point of weak local governance capacity and work toward strong governance capacity”. Therefore government strives to have municipalities that that are fully capacitated to deliver on the mandate. It is therefore crucial for government to implement interventions that would ensure that municipalities are fully capacitated.

With all the changes that happened and new systems that were introduced in local government it created major problems for the new incumbents both politically and administratively. South Africa’s case is further exacerbated by the fact that fully functional and financially viable municipalities were in the white areas and with the dawn of democracy and new demarcations new amalgamated municipalities lacked experienced staff and Councillors. Many municipalities across the country have grappled with managing these municipalities with the new functions and systems and

have found themselves receiving anything ranging from adverse, disclaimers and qualified audits with a minute number receiving clean audit opinion from the Auditor General. Provincial Governments have placed some of these municipalities under Section 139 with many yielding little or no change in municipal performance post the intervention for example Alfred Nzo District Municipality and Mngquma Municipality

### **1.3. RESEARCH PROBLEM STATEMENT**

Despite some successes, pertinent challenges that confront Mngquma Municipality have been cited by the Auditor General to include insufficient capacity to deliver basic service delivery to the community, poor municipal systems and political instability within the municipal Council.

In 2013 Mngquma Municipality was placed under Section 139 for the second time in 4 years. In March 2009, the then Minister of Cooperative Governance, sent an administrator to the municipality, citing maladministration and corruption which are an indication of poor governance. In 2009 the then Minister dissolved the municipal Council and Councillors fought and won their reinstatement in court which indicates that the governance of the municipality has been unstable since then. In 2013 the Province sent another administrator in the municipality with poor governance amongst others sighted as the reason for the intervention.

With the municipality having being placed under Section 139 on two occasions, it is then crucial to examine whether the intervention have improved governance in the institution and will putting Mngquma municipality under administration improve provision of service delivery and strengthen governance systems in that municipality. Is bringing an administrator for 6 months enough to solve governance in a municipality and can improvement be directly linked to the intervention done in the municipality?

### **1.4. AIMS AND OBJECTIVES**

The primary and secondary research objectives of this study are outlined in the following sub-sections.

#### **1.4.1. Primary Research Objective**

The primary research objective for this study is to evaluate the efficacy of placing municipalities under Section 139 in order to suggest appropriate strategies for intervention to improve municipal governance.

#### **1.4.2. Secondary Research Objectives**

The secondary research objectives of this study are to;

- Evaluate whether the provincial intervention of placing Mngquma Municipality under Section 139 was successful
- Examine the governance of Mngquma Municipality pre and post the intervention
- Recommend strategies which can be used for improving governance in municipalities

### **1.5. RESEARCH QUESTIONS**

In order to achieve the above outlined primary and secondary research objectives of the study, the entire research will be guided by research questions that encompass

- Which tools are used to evaluate the success of provincial intervention?
- Has municipal governance in Mngquma Municipality improved post the provincial intervention?
- What strategies can be used for improving municipal governance?

### **1.6. SIGNIFICANCE OF THE STUDY**

This study is important on the basis that it will provide government with the opportunity to evaluate the value that is added by placing municipalities under Section 139. Such a review will enable government to examine the extent to which the various interventions have had on overall municipal governance. The review of the intervention to municipalities will enable government to identify the factors that are hindering the success of the interventions in municipalities and how the interventions can be improved. The adoption of such improvements is expected to result not only improving the interventions but also a sustained improvement in municipal governance. There are limited studies that evaluate the interventions that are carried out in municipalities

and through its recommendations this study will provide additional theories onto existing literatures and theories on municipal interventions. The next section examines outlines of literature and theories which are relevant to this study.

## **1.7. LIMITATIONS OF THE STUDY**

The study focuses on evaluating the efficacy of placing ailing municipalities under Section 139, a case study of Mnquma Municipality. Mnquma municipality is a local municipality within Amathole District municipality in the Eastern Cape. The reason the researcher chose Mnquma Municipality is to have a focused scope in order to be able to complete the study. The limitation of this study is the unavailability of part of the sample, mobility of the sample for example in a case where other identified people are no longer part of the municipality of government.

## **1.8. OVERVIEW AND CHAPTER ORGANISATION**

The study will be accomplished according to the following five chapters.

### ***Chapter 1: Introduction and motivation for the study***

This chapter examines the overview of the study. It outlines the problem leading to the study, research objectives, research questions, significance of the study and overview and chapter organisation

### ***Chapter 2: Literature Review***

Relevant literature is examined in this chapter in line with the research objectives and questions of the study therefore this chapter examines theories and literatures that are relevant to the study. .In order to effectively address the issues that are raised in the research objectives and questions, the chapter examines; Municipal governance, literature on interventions and the strategies for improving governance.

### ***Chapter 3: Research design and methodology***

The research design, methods and techniques which will be used in the primary study are described in this chapter. It is indicated in this chapter that the main research method was qualitative, and other details discussed encompassed; the rationale for selecting the qualitative research methods, sampling strategy and data collection method. The chapter also provides descriptions of processes data collection process, data analysis, ethical considerations and conclusions.

### ***Chapter 4: Finding interpretation and Discussion***

This chapter presents the interpretations and discussions of the interview findings. The process is structured around sections derived from research objectives and questions. The sections encompass Section A: Evaluating whether the provincial intervention of placing Mngoma Municipality under Section 139 was successful, Section B: Evaluate the governance of Mngoma Municipality pre and post the intervention and Section C: strategies which are used for improving performance governance.

### ***Chapter 5: Conclusions and recommendations***

This chapter examines the general conclusions and recommendations of the study. The process is accomplished with the aim of responding to the primary research objective which is evaluate the efficacy of placing municipalities under Section 139 in order to suggest appropriate strategies for intervention to improve municipal governance.

# CHAPTER 2: LITERATURE REVIEW AND THEORETICAL FRAMEWORK

## 2.1. INTRODUCTION

This chapter provides the evaluation of relevant literatures and theories. The evaluation of these literatures and theories is accomplished according to sections that are aligned to the research objectives and questions. In the first instance, the chapter examines the notion of governance, and it was construed that governance is perceived as the application of a set of responsibilities and practices, policies and procedures that are used by the executives to enhance the effective management of the organisation's activities and its people. The chapter will further look at interventions from what constitute and a need for intervention to how the intervention effectiveness is evaluated. The last part will look at strategies of improving municipal governance.

### 2.1.1. GOVERNANCE

DESA (2007:3) defines governance as “formal and informal arrangements that determine how public decisions are made and how public actions are carried out from the perspective of maintaining a country's constitutional values.” A number of different organisations use different governance indicators to assess institutional capacity and evaluate the performance of the public sector. “Indicators are complex and reductive and the evaluation process is a complex exercise, given that the public sector is no longer homogeneous and it is also difficult to draw conclusions from input data to output, and then to outcome” DESA (2007:4). “The United Nations has considered “good” governance as an essential component of the **Millennium Development Goals** [MDGs], because “good” governance establishes a framework for fighting poverty, inequality, and many of humanities' other shortcomings” DESA (2007:1).

“Governance should not be reduced to government, as the three aspects of governance are interdependent in a society. Indeed, social governance provides a moral foundation, while economic governance provides a material foundation, and

political governance guaranties the order and the cohesion of a society” Nzongola-Ntalaja (2002:17). “Governance concerns the State’s ability to serve citizens and other actors, as well as the manner in which public functions are carried out, public resources are managed and public regulatory powers are exercised”. European Commission (2003).

As public administration has evolved so have the theories that once governed it. The theories of Max Weber and Woodrow Wilson which spoke of a comprehensive, functionally uniform, hierarchical organizations governed by strong leaders who are democratically responsible and staffed by neutrally competent civil servants who deliver services to citizens have evolved. The current public sector set up speaks to a “society” that delivers these programmes. In a case of government it’s the interrelated spheres of government which are governed by the Intergovernmental Relations Act. Whilst they remain autonomous in their function the failure of one affects the other spheres leading to the Constitution of the Republic of South Africa stating that the provincial sphere should assist the local sphere with capacity to deliver on the mandate of a developmental local government.

### **2.1.2. MUNICIPAL GOVERNANCE**

Adrews & Shah (2003:3.22) conclude in their study on local government that “a model local government would conform to legislation in processes and structure, maintain its fiscal health, do the right things (be responsive), in the right way (with maximum efficiency) and be accountable to its constituents”.

The Systems Act of 1998 outlines governance responsibilities of municipalities as being the following

- i. prepare, implement and review IDPs
- ii. establish, implement and review municipalities' performance-management systems
- iii. monitor and review municipalities' performances
- iv. prepare municipalities' budgets

- v. participate in decisions about the provision of municipal services
- vi. communicate and disseminate information on governance matters.

To bring these objects to reality Pretorius & Schuring (2007;22) summarises “municipal service delivery as being governed by Integrated Development Plan and the Performance Management System, Intergovernmental relations, Expanded Public Works Programme, Batho Pele, Budget, Policy and procedure”.

The above issues are central to governance in municipalities. Poor governance is one of the reasons that are cited by the Auditor General as the reason of the poor audit outcomes that municipalities get. “A culture of good governance, honesty and ethical business practice needs to be implemented in the financial and performance management areas. The development and consistent monitoring of action plans which address the internal control deficiencies in these areas is critical. The compliance with laws and regulations should be the golden thread throughout these processes” Deloitte & Touche (2012; 1).

Therefore the success of an evaluation is based on a municipality having the ability to maintain proper governance by aligning its performance to the legislative requirements and other principles of good governance.

Section 195 of the Constitution of South Africa prescribes the principle of an efficient public service. Government went further through the 12 outcomes that the administration summarised government priorities. One of those priorities as encapsulated in Outcome 9 is a Responsive, accountable, effective and efficient local government system.

Section 152(2) of the constitution defines the objects of local government as follows

- (a) to provide democratic and accountable government for local communities;
- (b) to ensure the provision of services to communities in a sustainable manner;
- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment; and
- (e) to encourage the involvement of communities and community organisations in the matters of local government

These objects are what each municipality should translate into their daily functioning. When municipalities fail to achieve on delivering on these objects then it is deemed as failing to deliver on the legislative functions and when a municipality achieves these objectives consistently and within its financial and administrative capacity, it could be described as a functional, well-performing municipality.

The UNDP defines governance as “The exercise of economic, political, and administrative authority to manage a country’s affairs at all levels. It comprises mechanisms, processes, and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences.” World Bank (2013). The business dictionary (2014) further defines governance as “the establishment of policies, and continuous monitoring of their proper implementation, by the members of the governing body of an organization. It includes the mechanisms required to balance the powers of the members (with the associated accountability), and their primary duty of enhancing the prosperity and viability of the organisation”.

### **2.1.3. GOOD GOVERNANCE**

“Governance is “good” when it allocates and manages resources to respond to collective problems, in other words, when a State efficiently provides public goods of necessary quality to its citizens. Hence states should be assessed on both the **quality** and the **quantity** of public goods provided to citizens” Rotberg (2004:5). Good governance as expressed through factors like reliability, predictability and accountability is increasingly seen as a key factor in ensuring national prosperity. However, many aspects of the relationship between good governance and national prosperity are still poorly understood and may indeed vary across countries PUMA (2015)

Good governance refers to empirically observable politico-administrative way of making public policy-making reforming and organising and indeed the governance theory is often part and parcel of the strategy of good governance rather than an external observation” Bang & Esmark (2013:1). Band & Esmark (2013:2) posit that the

overall strategy of good governance can be seen as a set of guidelines for politico-administrative practice in three relatively distinct ways; first it is a thinking about how to govern or how to conduct public governance, secondly it is a political agenda and lastly good governance involves particular stances and notions about the organisational reform of the public sector. Good governance covers three basic politico-administrative domains 1) public governance, 2) policy and 3) organisation.

The underlying point of governance perspective is to relocate politics and administration from the problem of the state to the problem of steering or put differently, to reframe the state of one particular construct that can be utilised with the more general 'problematics of government' Rose & Miller (1992:183). The end result of good governance is specific techniques of government and its main ambition is continuous innovation and refinement of these techniques.

"The techniques of good governance all aim however to establish a framework for self governance however the good governance techniques are deeply ambiguous: on the one hand they presuppose and in most cases also aim to strengthen self governing capacity of organisations but on the other hand the approach this self governing capacity as a resource of government; as something that will increase the effectiveness of government if provided with proper guidance and direction" Band & Esmark (2013:3). This ambiguity is evident in the constitution where local government is declared as a local sphere of government where there is self government by the sphere through the Municipal Councils that govern the municipalities. The same Constitution according to Section 139 of the Constitution gives provincial government room to guide municipalities through Section 139. The Section according to the Constitution of South Africa is:

When a municipality cannot or does not fulfil an executive obligation in terms of the Constitution or legislation, the relevant provincial executive may intervene by taking any appropriate steps to ensure fulfilment of that obligation as cited in Section 139 of the Constitution, including-

- a. issuing a directive to the Municipal Council, describing the extent of the failure to fulfil its obligations and stating any steps required to meet its obligations;

- b. assuming responsibility for the relevant obligation in that municipality to the extent necessary to-
  - i. maintain essential national standards or meet established minimum standards for the rendering of a service;
  - ii. prevent that Municipal Council from taking unreasonable action that is prejudicial to the interests of another municipality or to the province as a whole; or
  - iii. maintain economic unity; or
- c. dissolving the Municipal Council and appointing an administrator until a newly elected Municipal Council has been declared elected, if exceptional circumstances warrant such a step.

“The heterogeneous array of good governance techniques does not form a consistent field of intervention in itself, but rather a domain of circulating instruments and mechanisms that can be deployed in relation to specific problems and imagined solutions and this takes place through translation between techniques and programmes” Power (1997:57) . “Good governance strategies are diverse but they share a common language of problematisation, including possible solutions therefor on this level good governance amounts to a strategy of mobilisation which involves a call for flexible integration of various forms of knowledge, expertise and resources to tackle complex policy problems and provide sufficient ownership of solutions and inclusion of accountability and participation” Bang & Esmark (2013:4).

Band & Esmark (2013:2) posit that “providing some empirical parameters to good governance may still prove enough of a challenge, given that we are dealing with a complex or even heterogeneous phenomenon, which can be observed in and across a variety of different dimensions, levels, territories, institutions and policies”. Bevir (2010:1) defines the word governance as ubiquitous as it exists in different disciplines including development studies, economics, geography, international relations, planning, political science, public administration and sociology and therefore defines

governance as new theories and practices of governing and the dilemmas to which they give rise.

“Good government depends on an ability to exercise power, and to make good decisions over time, across a spectrum of economic, social, environmental and other areas. This is linked with the government’s capacity for knowledge, mediation, resource allocation, implementation and maintenance of key relationships” PUMA (2015)

PUMA (2015) asserts that there are many ways to define governance and good governance. However, there seems to be a general consensus that key factors include:

- i. Technical and managerial experience
- ii. Organisational capacity
- iii. Reliability, predictability and the rule of law
- iv. Accountability
- v. Transparency and open information systems
- vi. Participation

### ***Technical and managerial experience***

Technical and managerial competence of civil servants is an obvious factor of good governance. This may be less of a constraint than it used to be, as access to education has improved, but rapid changes in the local government sector require ongoing development of skills.

### ***Organisational capacity***

Having skilled staff is not sufficient if the government organisations do not have the capacity to make good use of these skills therefore capacity of government organisations is a key factor in the provision of many important services to businesses and the public, and in creating conducive conditions for economic progress and social cohesion.

### ***Reliability, predictability and the rule of law***

The rule of law refers to the institutional process of setting, interpreting and implementing laws and other regulations Puma (2005:22). It means that decisions taken by government must be founded in law. Reliability requires governance that is free from corruption and nepotism and achieves some sort of social stability. Reliability and predictability require certain degree of political stability within the municipality.

### ***Accountability***

Accountability can be both an end in itself representing democratic values and a means towards the development of more efficient and effective local government. Politicians and public servants are given enormous power through the laws and regulations they implement, resources they control and the organisations they manage and therefore accountability is a key way to ensure that this power is used appropriately and in accordance with the public interest. Accountability requires clarity about who is accountable to whom for what and that civil servants, and politicians are held accountable for their decisions and performance as this will go a long way in ensuring that the political administration dichotomy is addressed.

### ***Transparency and open information systems***

Transparency is an important aspect of good governance, and transparent decision making is critical for local government. Accountability and the rule of law require openness and reliable information so external reviewers and the general public can verify performance and compliance to law by the municipality.

### ***Participation***

Participation can involve consultation in the development of policies and decision-making and other democratic processes and in local government it is legislated that public participation be part of the implementation of municipal planning. The public participation is done for the integrated development plan and the budget for Communities to input on the municipal plans and for municipal accountability. Participation gives municipalities access to important information about the needs and priorities of individuals, communities and private businesses. Governments that

involve the public, will be in a better position to make good decisions, and decisions will enjoy more support once taken.

### **2.1.3. THE POLITICAL AGENDA OF GOOD GOVERNANCE**

Good governance also involves a political agenda maintained primarily by national and international technocrats, administrations and 'knowledge' institutions. And whilst these institutions maintain good governance principles, however good governance is not immune to the politics and social issues in society which determine the order of priorities. An absolutely crucial part of good governance is its interpretation of policy problems as *wicked* problems Band & Esmark (2013:6). The term wicked according to Band & Esmark (2013:7) means three things namely;

- i. Policy problems and any attempt to solve them have effects across a number of dimensions and levels and Policy problems are complex therefore the full set of the causes of the problem is hard to come by.
- ii. Policy decisions are increasingly made in a horizon of 'global risks' where unintended and potentially irreversible consequences are always lurking, placing policy making in a perpetual state of risk management.
- iii. Solutions are necessary responses to actual or potential crises and dangers and the challenge is not to reach political compromises between interests and identities, but to conduct prudent risk management.

Bang & Esmark (2013:7) identify three areas that are particularly important to good governance namely the development of a public administration policy, strengthening competition and maintenance of security.

### **2.1.4. EVALUATING INTERVENTION**

"Monitoring is a form of evaluation or assessment, though unlike outcome or impact evaluation, it takes place shortly after an intervention has begun (formative evaluation), throughout the course of an intervention (process evaluation) or midway through the intervention" United Nations entity For Gender Equality and the Empowerment of Women, (2012). Outcome evaluations measure programme results

for both short and long-term outcomes. Evaluation allow for assessment of developmental interventions which make a difference and whether the project is producing the intended results and areas of improvement are identified.

Impact evaluation “measures the difference between what happened with the programme and what would have happened without it. It answers the question, How much (if any) of the change observed in the target population occurred because of the programme or intervention?” United Nations entity For Gender Equality and the Empowerment of Women (2012). Impact evaluation incorporates methods such as random selection, control and comparison groups which serve to establish causal relationships between the activities and the outcomes and isolate external factors

“While impact evaluations may be considered the *gold standard* for monitoring and evaluation, they are challenging and may not be feasible for many reasons, including that they require a significant amount of resources and time, which many organizations may not have and to be done properly, they also require the collection of data following specific statistical methodology, over a period of time, from a range of control and intervention groups, which may be difficult for some groups” Community interventions for health website (2014)

“Process evaluation may occur with or without outcome evaluation and may include a combination of qualitative and quantitative data collection strategies” Community interventions for health website (2014)

Community interventions for health website (2014) states that “both qualitative and quantitative research methods (mixed method) are used in process evaluation and it is often the richness of qualitative methods that provides the more detailed, in-depth, language, context and relationship between ideas that best informs programme process”.

Sera and Beaudry, (2007) argue that “in conducting monitoring and evaluation efforts, the specific areas to consider will depend on the actual intervention, and its stated outcomes assessing relevance, efficiency, effectiveness, impact and sustainability”.

Macmillan dictionary defines intervention as “a situation in which someone becomes involved in a particular issue, problem in order to influence what happens”. “It is

increasingly understood that organisational interventions take place in complex environments that are challenging or nearly impossible to control; some authors even claim that this control may not be desirable” Nielsen, Fredslund, Christensen and Albertsen (2006:273). Evaluation of an intervention is critical as failed interventions could have adverse results Parumasur (2012:2) states that “when organisational culture initiatives fail, they seriously damage organisations and have unintended psychological consequences for the people in them and they have a spiralling effect because they affect employees psychologically and demoralise them and employees respond by engaging in adverse behaviour that affects business”.

BMZ (2011: 1) states that “when planning aid interventions, expected welfare effects can be appraised by analysing resource requirements and the results that are produced with these resources. If net welfare effects are positive, an intervention can be considered beneficial to society. If, in addition, resources needed to produce these effects are scarce, a rational choice is to select those interventions that produce the largest welfare effects based on those resources. In both in-stances, efficiency analysis is needed as a basis for decision-making”.

### **2.1.5. STRATEGIES FOR IMPROVING GOVERNANCE**

Provincial assessments exposed those “causal reasons for distress in municipal governance pointed to tensions between the political and administrative interface, poor ability of many councillors to deal with the demands of local government, insufficient separation of powers between political parties and municipal councils, lack of clear separation between the legislative and executive, inadequate accountability measures and support systems and resources for local democracy; and poor compliance with the legislative and regulatory frameworks for municipalities” (COGTA; 2009:10).

The WDR in 1997 defined good governance as “Mechanisms for assuring good governance have three key elements: *Internal rules and restraints* (for example, internal accounting and auditing systems, independence of the judiciary and the central bank, civil service and budgeting rules) *“Voice” and partnership* (for example, public-private deliberation councils, and service delivery surveys to solicit client

feedback); and *Competition* (for example, competitive social service delivery, private participation in infrastructure, alternative dispute resolution mechanisms, and outright privatization of certain market-driven activities)” – WDR (1997).

Therefore municipalities must enforce a culture of good governance to ensure their efficiency as required by the Constitution of South Africa. Governance in a municipality is both the political and administrative governance with the oversight role being the responsibility of the politicians in the Council as the decision makers in municipalities. It is therefore important for municipalities to have a fully functional Council that is enabled to perform its oversight role. A study which was done by the Department of Cooperative Governance and Traditional Affairs (COGTA) in 2009 into the state of local government was centred on “the effectiveness, capability and integrity of the local political council leadership and it further looked into the nature and extent of maladministration and corruption and how deeply have these been contributory factors to the negative performance of administrations and councils”.

It is therefore evident that Councillors are central to the achievement of good governance in municipalities. The local government turnaround strategy (LGTAS) was introduced by the Department of Cooperative Governance and Traditional Affairs (COGTA) which identified internal and external factors that hindered service delivery. “The internal factors related to issues over which the municipality could exercise a direct influence, such as the quality of decision making by councillors, the quality of appointments within the municipal administration, procurement and financial governance” LGTAS (2009). “Political leadership and its effectiveness at local government level is an important but often neglected aspect of governance” Mokwena, Paradza & Richards (2010: 7). “Political leadership is important because to achieve good governance Councils have the responsibility to make important decisions by voting in Council on issues such as resolutions of Council, policy changes, the Integrated Development Plan and the annual budget” Mokwena, Paradza & Richards (2010: 7). It then makes it important that political leadership is capacitated to ensure that their role in conducting oversight and achieving good governance is accomplished

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **(QUALITATIVE RESEARCH)**

#### **3.1. INTRODUCTION**

The research design, methods and techniques which were used in the primary study are described in this chapter. Van Wyk (2015:2) posits that “the research design articulates what data is required, what methods are going to be used to collect and analyse this data, and how all of this is going to answer your research question. Both data and methods, and the way in which these will be configured in the research project, need to be the most effective in producing the answers to the research question.”

Considering that the main objective of this study is to assess the efficacy of placing municipalities under Section 139 administration with Mquma municipality used as a case study, it is revealed in this chapter that using qualitative research techniques would enable sufficient and in-depth information to be obtained for the research. Eliciting sufficiently in-depth information was perceived to render it possible for determining whether such main objective of the study has been fulfilled. The later sections in the chapter examined; research design, target population and sampling, data collection method, data analysis, validity and reliability and ethical considerations.

#### **3.2. QUALITATIVE RESEARCH DESIGN**

Qualitative research design is the method of choice when the research question requires an understanding of processes and establishing of relationships in the context of the social or cultural situations. Denzin & Lincoln (2005:3) describes qualitative research as “a set of interpretive, material practices that make the world visible and it involves an interpretive naturalistic approach to the world. This means that qualitative research studies things in their natural settings attempting to make sense of or to interpret, phenomena in terms of meanings people bring to them”. By the very nature of the main research objective, this study seeks to assess the efficacy of placing

municipalities under Section 139 administration with Mngquma municipality used as a case study therefore this study uses qualitative research methods and techniques. Saunders, Lewis and Thornhill (2003:62) posit that a research design refers to the outline or sketch of the processes prescribing techniques, methods and tools which are used in the primary data collection, analysis, presentation and interpretations in the light of the research objectives and questions. Saunders et al. (2003:62) interpret that the main objective of a research design is usually to determine the extent to which the chosen method can lead to the eliciting of information which is relevant to the issue raised in the research objectives and questions of the study.

This study however, uses qualitative research because it is perceived that it will enable the study to undertake in-depth assessment of placing municipalities under administration. As replicated from chapter 1, the primary research objective of this study is to assess the efficacy of placing ailing municipalities under administration as a remedy for poor governance in order to suggest appropriate improvement strategies.

The secondary research objectives of this study are to;

- Evaluate whether the provincial intervention of placing Mngquma Municipality under Section 139 was successful
- Examine the governance of Mngquma Municipality pre and post the intervention
- Examine strategies which are used for improving governance in municipalities

In order to achieve the above outlined primary and secondary research objectives of the study, the entire research will be guided by research questions that encompass

- Which tools are used to evaluate the success of provincial intervention?
- Has municipal governance in Mngquma Municipality improved post the provincial intervention?
- What strategies are used for improving municipal governance?

It is expected that through the application of qualitative research techniques, the study will be able to effectively examine the relationship between placing municipalities and improving governance in municipalities. The steps which were used in the sampling process are described in the next section.

### **3.3 THE TARGET POPULATION (SAMPLING FRAME)**

Welman, Kruger and Mitchell (2005:52) postulated that “the target population concerns the individuals, groups, organisations, human products and events which are the subjects or objects of the study”. Hussey and Hussey (1997:66) stated that “the target population refers to the subjects who are the focus of the study”. Bryman and Bell (2007:153) identify the target population to refer to “the total collection of all units of analysis about which the researcher seeks to make specific conclusions regarding issues raised in the research objective, questions and hypothesis.” However, Bryman and Bell (2006:159) stated that it is usually not reasonably feasible to include all the units during a particular study due to costs and time constraints. In order to take into account these challenges, the appropriate sample for study must be determined using the appropriate strategy.

### **3.4. TARGET POPULATION AND SAMPLING METHOD**

The target population refers to “the total collection of all units of analysis about which the researcher seeks to make specific conclusions regarding issues raised in the research objective, questions and hypothesis” Bryman & Bell (2007:153). For the purposes of this study purposeful sampling using maximum variation sampling was used. “This sampling method aimed to select study units which represented a wide range of variation in dimensions of interest” Hardon, Hodgkin, Fresle (2004: 58). The target population for this study were the 4 stakeholder organisations in local government which includes Municipal Executive Committee and senior administration of Mnquma Municipality, Department of Local government and Traditional Affairs in the Eastern Cape, the former Administrator in the municipality and the South African Local Government Association. Bryman & Bell (2007:153) states that “it is not usually feasible to include all the units during a study due to costs and time constraints. In order to manage these challenges they suggest that appropriate sample for the study must be determined using the appropriate strategy”.

Based on the above the population sample per stakeholder was sampled as follows.

SALGA	Senior manager at Intergovernmental unit (1)
Department of Local Government and Traditional Affairs	Political leadership & 1 official (2)
Administrator	1
Mnquma municipality	Municipal manager, Mayor (2)

The total number of the population sample is 7

### **3.5. DATA COLLECTION PROCESS**

“Qualitative research methods and techniques include case study, observation, structured and unstructured open ended interviews” Welman, Kruger & Mitchell (2005:52). The researcher in this study used structured interviews using pre designed interview instrument as a method for primary data collection. The interview instrument contained open ended questions which provided participants an opportunity to provide detailed responses on effects, determinants and strategies of improving municipal governance. Section A dealt with the tools used to evaluate the success of provincial intervention section B dealt with how municipal governance in Mnquma Municipality improved post the provincial intervention. And Section C will covers strategies used for improving municipal governance. Requests for appointments will be sent to the selected sample and the data collection was done through face to face and telephone interviews. The research interview instrument was accompanied by a brief explanation of the study and the researcher’s contact numbers through which she could be contacted if there were any queries. Upon the completion of the data collection, the data analysis commenced as explained below.

### **3.6. DATA ANALYSIS**

The data was analysed using logical reasoning and guided by the research questions. Logical and systematic analysis was done through the development of themes from

the data. All these processes were accomplished according to the three sections that are aligned to the outlined research objectives and questions. As indicated above, these sections are; Section A: Evaluate whether the provincial intervention of placing Mngquma Municipality under Section 139 was successful, Section B: Evaluate the governance of Mngquma Municipality pre and post the intervention and Section C: strategies which are used for improving performance governance.

The researcher used the baseline information from the regulations and other literature for the themes and the researcher juxtaposed the specific factors. For each factor the researcher compared what is the current practice in the municipality practice and deduce how it is aligned to the set standards and also determine how it differs and possible reasons for the difference. The data presented in discussion assessments is done to determine whether the research objective has been fulfilled. Validity, reliability and ethical issues as indicated have been considered throughout the research process.

### **3.7. MEASURES FOR ENSURING VALIDITY AND RELIABILITY IN A QUALITATIVE RESEARCH**

Validity refers to the analysis of the extent to the research instrument measures what it is intended to measure, and reliability concerns consistency or repeatability of the measurement of some phenomena Saunders et al. (2003:81). In this study, individuals from the target population and experts were requested to comment on the relevance, balance and adequacy of the research instrument in relation to the research objectives, and appropriate corrective measures to subject the interview instrument to analysis of face and content validity. In addition assessments of credibility, transferability, dependability, and confirmability were considered by the researcher.

The decision to subject the instrument to scrutiny was in line with Morse, Barrett, Mayan, Olson, and Spiers's (2002:1) arguments that the validity and reliability of a qualitative research is determined by the extent of its trustworthiness. Trustworthiness, is determined by; credibility, transferability, dependability, and confirmability Morse et al. (2002:1). All these were considered during the research process through the use of; assessment of negative cases, peer debriefing, prolonged engagement and

persistent observation, and member checks. The researcher also applied methodological coherence, sampling sufficiency and ensured that there was a development of a dynamic relationship between sampling, data collection and analysis. This was done to further ensure the validity and reliability of this study. The use of critical theoretical thinking and theory development was also applied. The purpose was also to ensure that the results of this study relate to organisational practice and other previously developed theoretical concepts on municipal governance.

### **3.8. RESEARCH ETHICAL CONSIDERATIONS**

The American Educational Research Association defines ethics as principles and guidelines that help us to uphold the things we value. Neuman (2006:143) defines “ethical issues in research as concerns, dilemmas and conflicts that arise over the proper way to conduct research”. In the course of conducting research the researcher was confronted with complexities of placing accounts in the public arena and researching of private lives. Therefore at the beginning of the study, the researcher signed the research ethics forms containing different codes and wanted and unwanted practices in a research process. Additionally, the researcher undertook certain readings in order to avoid getting trapped in unethical conducts. During the selection of the sample population, the researcher included respondents without segregation on race, age or disability. The researcher respected the University of Fort Hare protocol by signing the ethical clearance form. The researcher acknowledges all sources cited in the research in order to avoid falling victim of plagiarism which is an unethical practice in a research process.

### **3.9. CONCLUSION**

From the above discussions, it is clear that this chapter provides an accurate description of the research design, methods and techniques which were used in the primary study. It is indicated that considering that the main objective of this study is to conduct an evaluation into the efficacy of placing municipalities under administration, it is perceived that using qualitative research techniques would enable in-depth sufficient information to be obtained. Eliciting sufficiently in-depth information is

indicated in the chapter to have been perceived to render it possible for determining whether such main objective of the study has been fulfilled. It is also noted that the later sections in the chapter examined; research design, target population and sampling, data collection method, data analysis, validity and reliability and ethical considerations. The next chapter provides the discussions and interpretations of the findings in the light of the issues in the research objectives and questions.

# **CHAPTER 4: INTERPRETATIONS OF FINDINGS AND DISCUSSIONS**

## **4.1 INTRODUCTION**

While considering that the primary research objective of the study is to evaluate the effectiveness of placing municipalities under administration using Mquma local municipality as a case study, this chapter presents the interpretations and discussions of the interview findings in order to determine whether such primary research objective is fulfilled. The process is structured around sections derived from research objectives and questions, and sections that are replicated from the research instrument. The study was qualitative. The process was accomplished according to sections that encompass; Section A: Evaluating whether the provincial intervention of placing Mquma Municipality under Section 139 was successful, Section B: Evaluate the governance of Mquma Municipality pre and post the intervention and Section C: strategies which are used for improving performance governance. The analysis, interpretations and discussions of the findings were accomplished in reference to findings in the secondary research in order to determine whether all the issues that are raised in the research objectives and questions are effectively fulfilled.

## **4.2 SECTION A: EVALUATING WHETHER THE PROVINCIAL INTERVENTION OF PLACING MNQUMA MUNICIPALITY UNDER SECTION 139 WAS SUCCESSFUL**

In line with the first research objective and question for the study, the first section of the structured open ended interview questionnaires examined whether the intervention was successful. The findings were as discussed in the following sub-sections which were clustered according to factors that could make an intervention successful. It is noted in the literature review that a consensus also exists among theories such as Sera and Beaudry, (2007:25) that “in conducting monitoring and evaluation efforts, the specific areas to consider will depend on the actual intervention, and its stated outcomes assessing relevance, efficiency, effectiveness, impact and sustainability”. The questions therefore under section A seek to assess the relevance

of the action taken, efficiency, effectiveness, the impact and sustainability of the intervention.

#### **4.2.1. Discussing the criteria applied to place the municipality under administration and the terms of reference for the intervention in Mngquma**

This is crucial to assess the relevance of the intervention. This answers whether the situation that existed in the municipality warranted a Section 139 intervention. Understanding criteria that is used to place municipalities under administration clarifies exactly what warrants a dysfunctional municipality. From the interviews that were conducted in the municipality, the Department of Local Government and the Municipal employer body there was no consensus on the criteria used. There is a general feeling that because the criteria is not documented anywhere it therefore becomes subjective on the criteria used by the Department. Due to the differing situations in municipalities that sometimes warrants intervention however the only criteria that all parties agree upon is only when Council is failing to perform its legislative mandates. In Mngquma the Council was not convening to adopt the budget and the Integrated Development Plan (IDP) as mandated by the law and the Council was therefore failing to execute its legislative mandate.

The Department of Local Government and Traditional Affairs (DLGTA) in its appointment of an Administrator set out the following terms of reference for the appointment: That as the Head of Administration the administrator shall be responsible for all functions of the Municipal Manager as stipulated in Sections 55,56,66 (1), 67 (4) and 70 (1) in terms of Local Government: Municipal Systems Act as amended and also perform duties as stipulated in Sections 60 to 66 and 68 to72 of the Local Government: Municipal Finance Management Act. Furthermore the Administrator was given the responsibility to assist the municipality to ensure that all Council meetings are convened in accordance to the applicable provisions of law and all resolutions are properly taken, processed and implemented and to ensure that there is effective general administration within Mngquma Local Municipality and finally to facilitate and monitor the finalisation of disciplinary hearing of the suspended officials to their logical conclusion. When the Administrator took office all Senior managers were granted leave of absence and the Administrator was tasked to facilitate the appointment of

competent managers to act in positions left by the Senior Managers and also facilitate and advise the Council on the appointment of Section 56 Managers by strictly adhering to the provisions of Local Government: Municipal Systems Act, as amended.

There is however disagreement on whether the other responsibilities required an Administrator as some of the challenges that were experienced by the municipality went beyond administration and were political as the Council had split into two because of disagreements that existed. There is also disagreement whether giving an administrator free reign and not being accountable to the municipality assisted in the problems that persisted in the municipality.

There is a feeling that Section 154 of the Constitution where municipalities are assisted to render their functions properly by the municipality should have been instituted prior then failing which it could have warranted a Section 139 intervention. In the handover report drafted by the Administrator, it states that “the Administrator was not given a brief about key issues and challenges prevailing at Mngquma except for the terms of reference which clearly articulated areas that the Administrator would be responsible for amongst other statutory functions assigned as a result of the intervention; and as well as the role of being an Accounting Officer.” The close out report also clearly indicates that the Administrator had no clear brief on the key issues and causes of the challenges that existed in Mngquma and could be translated as sending an administrative solution to a political problem which could compromise the success of the intervention.

#### **4.2.2. Discussing the criteria used to measure success of the intervention and how the intervention improved the governance of Mngquma municipality**

The importance of any intervention as illustrated in the literature is that ability to evaluate the intervention to assess whether the intervention achieved what it was set out to achieve. Apart from the report that is presented by the Administrator there is no evaluation tool developed by either the Department of Local Government and Traditional Affairs nor the municipality or SALGA the employer body of municipalities. There are however conflicting views on whether the intervention assisted the municipality or not.

In the Administrator handover report, the Administrator's view is that "the intervention has indeed yielded positive results which must be sustained by preserving the culture that was adopted and implemented in the six months tenure and though there is stability, there are still some issues that need to be taken into their logical conclusion."

The municipality however has reservations on the results of the intervention sighting amongst others an audit opinion that regressed during the tenure of the Administrator allegedly due to service providers that were illegally appointed by the Administrator through flouted Supply Chain Management (SCM) processes because that was no oversight on the Administrator. The municipality further alleges that there was increased irregular expenditure during the tenure of the Administrator that the municipality is still grappling with. Lastly the municipality still has concerns on the organogram that was developed by the Administrator wherein you have administration which is not the municipal manager reporting to Politicians e.g. the post of legal advisor reporting to the office of the Speaker.

The municipality sights that the improvement in the governance of Mngquma municipality was as a result of an intervention from the ruling political party. From the interviews conducted there seems to be no consensus on this issue and whether the political stability in Mngquma was as a result of the Section 139 intervention.

#### **4.3. SECTION B: EXAMINING THE GOVERNANCE OF MNQUMA PRE AND POST THE INTERVENTION.**

The WDR in 1997 defined good governance as "Mechanisms for assuring good governance have three key elements: *Internal rules and restraints* (for example, internal accounting and auditing systems, independence of the judiciary and the central bank, civil service and budgeting rules) "*Voice*" and *partnership* (for example, public-private deliberation councils, and service delivery surveys to solicit client feedback); and *Competition* (for example, competitive social service delivery, private participation in infrastructure, alternative dispute resolution mechanisms, and outright privatization of certain market-driven activities)".

Impact evaluation "measures the difference between what happened with the programme and what would have happened without it. It answers the question, How much (if any) of the change observed in the target population occurred because of the

programme or intervention?” United Nations entity For Gender Equality and the Empowerment of Women (2012).

PUMA (2015) asserts that there are many ways to define governance and good governance. However, there seems to be a general consensus that key factors include:

- Technical and managerial experience
- Organisational capacity
- Reliability, predictability and the rule of law
- Accountability
- Transparency and open information systems
- Participation

In line with the second research objective and question for the study, the second section of the structured open ended interview questionnaires examined governance in Mngquma municipality pre and post the intervention. The findings were as discussed in the following sub-sections which were clustered according to factors that are indicators of good governance in municipalities as per the literature that has been reviewed for the study.

#### **4.3.1. Discussing the governance issues in Mngquma before the Section 139 intervention**

From the interviews and reports that were part of this research there is consensus that Mngquma was political instable. This was due to Council infighting and factionalism within the Municipal Council. According to the municipality the infighting was as a result of a split in the support for the administration staff. It reached a point where Council was not executing its legislative duties of adopting the IDP and budget of the municipality.

The Department of Local Government and Traditional Affairs and Administrator further stated amongst others the following as the status quo in Mngquma prior the intervention

- Inherent fraud and corruption practices (MIG AND EQUITABLE SHARE)

- Fraud procurement processes under investigation on various projects, in particular energy efficiency
- Irregular budget adjustments without Council approved procedures for such adjustments and without tendering for most projects
- Theft of municipal funds

#### **4.3.2. Explaining whether managerial capacity improved as a result of the intervention**

There seems to be differing views on this issue of managerial capacity. The municipality claims there was never a skills shortage nor was there management that could not perform its duties. The municipalities goes further to state that there was no skills transfer even to the Acting Directors that were appointed during the administration process as a result none of them qualified to be appointed when the positions were advertised. However the Administrator commends these Directors for performing their jobs with due diligence required. It however does not state what skills they were equipped with to better perform their duties. Because there was no thorough assessment of the municipal shortcomings prior the intervention evaluation of certain factors remains largely subjective to the stakeholders. Pre the evaluation there was no skills assessment on the management to carry out their respective tasks of ensuring that services were rendered in line with all legislation governing the local government sphere of government. The Department also had not undertaken any skills assessment prior the commencement of the intervention.

#### **4.3.2. Explaining whether accountability, transparency and public participation improved as a result of the intervention**

Accountability is defined as an “obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner. It also includes the responsibility for money or other entrusted property” Business Dictionary (2015). In local government context accountability is the ability of Council to execute its legislative mandate in a in a responsible, trustworthy and transparent manner. In the interviews all participants agreed that prior to the intervention the Council was holding meetings that were illegal according to legislation

and were not executing their legislative mandate. There were also various allegations of corruption and nepotism levelled against the Council. The report from the Administrator also indicated a hostile relationship between the Council, Administration and the labour unions. For municipalities to function effectively it is crucial that these three role players interface in a constructive manner to ensure that the functioning of a municipality is not compromised.

At the start of the Administration period, the municipal manager and his Section 56 managers were all dismissed and the municipality was without an Accounting Officer apart from the Administrator who was acting as the Accounting Officer during her tenure. The intervention brought some stability in that regards as the Municipal Manager was appointed and the posts of Section 56 managers were advertised and subsequently filled post the intervention period.

Due to the intervention of the Administrator many outstanding labour issues were resolved in the municipality in an attempt to bring stability in the institution. The Council further sat as legally required and legal decisions about the municipality were undertaken including rescinding of the illegal decisions that were taken during the period of political instability.

The issue of transparency however remains a contested issue between the Administrator and the municipality. The municipality alleges that there were decisions that were taken by the Administrator outside her terms of reference. For example the appointment of service providers that were appointed without following the proper supply chain management processes. The Administrator however through her appointment was eligible as an Acting Accounting Officer and decisions to appoint are within the powers of an accounting officer. This contestation further shows the different understanding on the role of the Administrator from the role players and could have been a source of contention to resisting some of the attempts by the Administrator to bring stability into the municipality.

According to the Administrator, Public participation has been revived and being driven from the Speaker's office and this includes engagement with various stakeholders and all Ward Committees are effective. There are however also contrasting views as to the whether the public participation was a tool of unity or destruction. There are concerns that the structures of public participation were used as a source of destroying the

municipality by perpetuating wrong information regarding the municipality. There are allegations of so called whistle blowing reports that were tabled without verification to these structures and these further contributed to the mistrust between the community and the municipality. As has been the trend in the previous questions what emanated again was the lack of common understanding amongst the role players with many factors being left to the subjectivity of the respondents as no tools were developed to evaluate the intervention. The Public Service Commission defines monitoring and evaluation as “a process of continued gathering of information and its analysis, in order to determine whether progress has been made towards pre-specified goals and objectives and highlight whether there are any unintended effects from a project and its activities. (Ijeoma 2013: 4).

#### **4.4. SECTION C: STRATEGIES WHICH ARE USED FOR IMPROVING MUNICIPAL GOVERNANCE**

Good governance refers to empirically observable politico-administrative way of making public policy-making reforming and organising and indeed the governance theory is often part and parcel of the strategy of good governance rather than an external observation” Bang & Esmark (2013:1). Band & Esmark (2013:2) posit that the overall strategy of good governance can be seen as a set of guidelines for politico-administrative practice in three relatively distinct ways; first it is a thinking about how to govern or how to conduct public governance, secondly it is a political agenda and lastly good governance involves particular stances and notions about the organisational reform of the public sector. Good governance covers three basic politico-administrative domains 1) public governance, 2) policy and 3) organisation.

The underlying point of governance perspective is to relocate politics and administration from the problem of the state to the problem of steering or put differently, to reframe the state of one particular construct that can be utilised with the more general ‘problematics of government’ Rose & Miller (1992:183).

There is general consensus on strategies that should be employed to improve municipal governance and they are as follows:

##### ***i. Training of Municipal Public Accounts Committees (MPAC)***

One of the strategic objectives of the Local Government Turnaround Strategy that was developed in 2009 is to build clean, effective, efficient, responsive and accountable local government and while governance systems and structures are operational in municipalities, its quality and effectiveness is sometimes questionable.

SALGA (2012: 3) defines Oversight as a concept that refers primarily to the “crucial role of legislatures in reviewing and monitoring the actions of the executive organs of government. The executive in carrying out its tasks, whether by implementing legislation or policy, acquires considerable power (the ability to influence or determine a person’s conduct). A condition of the exercise of that power in a constitutional democracy is that the administration or executive is checked by being held accountable to an organ distinct from it (the legislature). This notion is inherent in the concept of the separation of powers, which simultaneously provides for checks and balances on the exercise of executive power, making the executive more accountable to an elected legislature.”

“While our Constitution gives expression to the principle of separation of powers by recognising the functional independence of the three branches of government (executive, legislature and judiciary), at local government level, however, a municipal council is vested with both legislative and executive authority” SALGA (2012: 3). Subsequent legislation, in particular the Municipal Finance Management Act, 2003, requires a certain level of oversight by the municipality over the executive authority. This entails amongst others, the annual report which includes the financial statements, the SDBIP, and also the performance of the municipal manager and other section 57 employees.

***ii. Roles and responsibilities of Mayor, Chief Whip, Speaker and Municipal manager must be understood***

Since there is no neat distinction between the ‘executive’ and ‘legislative’ arms of council, effective and proper oversight of the ‘executive’ at local level thus requires members of Council to fully understand the justifications and rationale behind accountable government and the purpose it serves in sustaining the country’s democracy and the agenda of a developmental local government. The view that oversight role is that of opposition parties alone, designed to police and expose

maladministration and corruption is limited and deficient. Oversight and accountability helps to ensure that the executive implements programmes and plans in a way consistent with policy, legislation and the dictates of the Constitution.

***iii. Using Section 154 as the first action prior to implementing Section 139 of the Constitution***

Section 154 of the Constitution speaks of Municipalities in co-operative government and states that “the national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions” (Constitution: 1995). This section of the Constitution enables the implementation of the spirit of Cooperative governance whilst at the same time providing specialised support to municipalities. This could assist in ensuring that municipal functioning is not destabilised in the process.

***iv. Carry out proper analysis of the flaws in the current administration***

The process of implementing a Section 139 intervention would be less flawed if a proper analysis of the status quo was done. The way its currently being done includes subjectivity from all people involved and thus leads to resistance of the process. As has been shown earlier there are differing views on what the purpose of the other reasons for the interventions were and that was evident in the responses received from respondents.

***v. Appointment of qualified heads of Administration***

Although this issue was not part of the problem in Mquma as the contestation was on the process of appointment and not qualifications however all respondents agreed that generally it was one of the causes for poor governance in municipalities.

***vi. Separate the tendering system from Councillors to limit political interference.***

The respondents agreed that one of the issues that have potential to destabilise a municipality are Councillors that have influence on the tendering system and

municipalities need to exercise due diligence in ensuring that the tendering system is kept separate from all political interference.

## **4.5. CONCLUSION**

In the first instance, the discussions of the primary findings the success of the provincial intervention in Mngquma municipality. It was noted that factors that determine the success of the failure of the intervention are subjective as no tool was developed to monitor and evaluate the intervention by the provincial government. The Chapter went further to discuss the governance in Mngquma and still there are conflicting views on whether the stability was achieved as a result of the intervention by the Administrator or other reasons. Despite all the contrasting views on the intervention however there was a lot of common ground on the strategies that could be used to improve municipal governance. In order to determine measures which municipalities can use to improve their governance, the next chapter examines the conclusions and recommendations.

## **Chapter 5: Conclusions and Recommendations**

### **5.1 INTRODUCTION**

This chapter examines the general conclusions and recommendations of the study. The conclusion examines summaries of the secondary and primary findings. The secondary findings were summarised according to sections that include; tools are used to evaluate the success of provincial intervention, Has municipal governance in Mngquma Municipality improved post the provincial intervention and strategies used for improving municipal governance. The conclusion for the primary findings were accomplished according to sections that include; Section A: Evaluating whether the provincial intervention of placing Mngquma Municipality under Section 139 was successful, Section B: Evaluate the governance of Mngquma Municipality pre and post the intervention and Section C: strategies which are used for improving municipal governance. In a conclusion reflecting the interplay between the primary and secondary findings, measures that must be adopted to improve municipal governance in South Africa were recommended.

### **5.2 CONCLUSIONS AND SUMMARY OF THE RESEARCH KEY FINDINGS**

The primary research objective for this study is to evaluate the efficacy of placing municipalities under Section 139 in order to suggest appropriate strategies for intervention to improve municipal performance

The secondary research objectives of this study are to;

- Evaluate whether the provincial intervention of placing Mngquma Municipality under Section 139 was successful
- Examine the governance of Mngquma Municipality pre and post the intervention
- Examine strategies which are used for improving governance in municipalities

In order to achieve the above outlined primary and secondary research objectives of the study, the entire research will be guided by research questions that encompass

- Which tools are used to evaluate the success of provincial intervention?
- Has municipal governance in Mngquma Municipality improved post the provincial intervention?
- What strategies are used for improving municipal governance?

This study was important on the basis that it will provide government with the opportunity to evaluate the value that is added by placing municipalities under Section 139. Such a review will enable government to examine the extent to which the various interventions have had on overall municipal governance. The review of the intervention to municipalities will enable government to identify the factors that are hindering the success of the interventions in municipalities and how the interventions can be improved. The adoption of such improvements is expected to result not only improving the interventions but also a sustained improvement in municipal governance. There are limited studies that evaluate the interventions that are carried out in municipalities and through its recommendations this study will provide additional theories onto existing literatures and theories on municipal governance and interventions.

The primary and secondary findings of the study were as summarized in the following sections;

### **5.2.1 Primary Findings**

The primary findings of the study were as summarized to the following sections that are aligned to the research objectives and questions;

#### **5.2.1.1. Evaluating whether the provincial intervention of placing Mngquma municipality under Section 139 was successful**

“Monitoring is a form of evaluation or assessment, though unlike outcome or impact evaluation, it takes place shortly after an intervention has begun (formative evaluation), throughout the course of an intervention (process evaluation) or midway through the intervention” United Nations entity For Gender Equality and the Empowerment of Women, (2012). Outcome evaluations measure programme results for both short and long-term outcomes. Evaluation allow for assessment of developmental interventions which make a difference and whether the project is producing the intended results and areas of improvement are identified.

Impact evaluation “measures the difference between what happened with the programme and what would have happened without it. It answers the question, How much (if any) of the change observed in the target population occurred because of the

programme or intervention?” United Nations entity For Gender Equality and the Empowerment of Women (2012). Impact evaluation incorporates methods such as random selection, control and comparison groups which serve to establish causal relationships between the activities and the outcomes and isolate external factors

“While impact evaluations may be considered the *gold standard* for monitoring and evaluation, they are challenging and may not be feasible for many reasons, including that they require a significant amount of resources and time, which many organizations may not have and to be done properly, they also require the collection of data following specific statistical methodology, over a period of time, from a range of control and intervention groups, which may be difficult for some groups” Community interventions for health website (2014)

“Process evaluation may occur with or without outcome evaluation and may include a combination of qualitative and quantitative data collection strategies” Community interventions for health website (2014)

Community interventions for health website (2014) states that “both qualitative and quantitative research methods (mixed method) are used in process evaluation and it is often the richness of qualitative methods that provides the more detailed, in-depth, language, context and relationship between ideas that best informs programme process”.

Sera and Beaudry, (2007) argue that “in conducting monitoring and evaluation efforts, the specific areas to consider will depend on the actual intervention, and its stated outcomes assessing relevance, efficiency, effectiveness, impact and sustainability”.

Macmillan dictionary defines intervention as “a situation in which someone becomes involved in a particular issue, problem in order to influence what happens”. “It is increasingly understood that organisational interventions take place in complex environments that are challenging or nearly impossible to control; some authors even claim that this control may not be desirable” Nielsen, Fredslund, Christensen and Albertsen (2006:273). Evaluation of an intervention is critical as failed interventions could have adverse results Parumasur (2012:2) states that “when organisational culture initiatives fail, they seriously damage organisations and have unintended psychological consequences for the people in them and they have a spiralling effect

because they affect employees psychologically and demoralise them and employees respond by engaging in adverse behaviour that affects business”.

BMZ (2011: 1) states that “when planning aid interventions, expected welfare effects can be appraised by analysing resource requirements and the results that are produced with these resources. If net welfare effects are positive, an intervention can be considered beneficial to society. If, in addition, resources needed to produce these effects are scarce, a rational choice is to select those interventions that produce the largest welfare effects based on those resources. In both in-stances, efficiency analysis is needed as a basis for decision-making”.

#### **5.2.1.2. Examining the governance of Mngquma Municipality**

Adreus & Shah (2003:3.22) conclude in their study on local government that “a model local government would conform to legislation in processes and structure, maintain its fiscal health, do the right things (be responsive), in the right way (with maximum efficiency) and be accountable to its constituents”.

To bring these objects to reality Pretorius & Schuring (2007;22) summarises “municipal service delivery as being governed by Integrated Development Plan and the Performance Management System, Intergovernmental relations, Expanded Public Works Programme, Batho Pele, Budget, Policy and procedure”.

The above issues are central to governance in municipalities. Poor governance is one of the reasons that are cited by the Auditor General as the reason of the poor audit outcomes that municipalities get. “A culture of good governance, honesty and ethical business practice needs to be implemented in the financial and performance management areas. The development and consistent monitoring of action plans which address the internal control deficiencies in these areas is critical. The compliance with laws and regulations should be the golden thread throughout these processes” Deloitte & Touche (2012; 1).

Therefore the success of an evaluation is based on a municipality having the ability to maintain proper governance by aligning its performance to the legislative requirements and other principles of good governance.

The UNDP defines governance as “The exercise of economic, political, and administrative authority to manage a country’s affairs at all levels. It comprises mechanisms, processes, and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences.” World Bank (2013). The business dictionary (2014) further defines governance as “the establishment of policies, and continuous monitoring of their proper implementation, by the members of the governing body of an organization. It includes the mechanisms required to balance the powers of the members (with the associated accountability), and their primary duty of enhancing the prosperity and viability of the organisation”.

Good governance refers to empirically observable politico-administrative way of making public policy-making reforming and organising and indeed the governance theory is often part and parcel of the strategy of good governance rather than an external observation” Bang & Esmark (2013:1). Band & Esmark (2013:2) posit that the overall strategy of good governance can be seen as a set of guidelines for politico-administrative practice in three relatively distinct ways; first it is a thinking about how to govern or how to conduct public governance, secondly it is a political agenda and lastly good governance involves particular stances and notions about the organisational reform of the public sector. Good governance covers three basic politico-administrative domains 1) public governance, 2) policy and 3) organisation.

The underlying point of governance perspective is to relocate politics and administration from the problem of the state to the problem of steering or put differently, to reframe the state of one particular construct that can be utilised with the more general ‘problematics of government’ Rose & Miller (1992:183). The end result of good governance is specific techniques of government and its main ambition is continuous innovation and refinement of these techniques.

“The techniques of good governance all aim however to establish a framework for self-governance however the good governance techniques are deeply ambiguous: on the one hand they presuppose and in most cases also aim to strengthen self-governing capacity of organisations but on the other hand the approach this self-governing capacity as a resource of government; as something that will increase the effectiveness of government if provided with proper guidance and direction” Band & Esmark (2013:3). This ambiguity is evident in the constitution where local government

is declared as a local sphere of government where there is self-government by the sphere through the Municipal Councils that govern the municipalities. The same Constitution according to Section 139 of the Constitution gives provincial government room to guide municipalities through Section 139.

“The heterogeneous array of good governance techniques does not form a consistent field of intervention in itself, but rather a domain of circulating instruments and mechanisms that can be deployed in relation to specific problems and imagined solutions and this takes place through translation between techniques and programmes” Power (1997:57) . “Good governance strategies are diverse but they share a common language of problematisation, including possible solutions therefor on this level good governance amounts to a strategy of mobilisation which involves a call for flexible integration of various forms of knowledge, expertise and resources to tackle complex policy problems and provide sufficient ownership of solutions and inclusion of accountability and participation” Bang & Esmark (2013:4).

Band & Esmark (2013:2) posit that “providing some empirical parameters to good governance may still prove enough of a challenge, given that we are dealing with a complex or even heterogeneous phenomenon, which can be observed in and across a variety of different dimensions, levels, territories, institutions and policies”. Bevir (2010:1) defines the word governance as ubiquitous as it exists in different disciplines including development studies, economics, geography, international relations, planning, political science, public administration and sociology and therefore defines governance as new theories and practices of governing and the dilemmas to which they give rise.

“Good government depends on an ability to exercise power, and to make good decisions over time, across a spectrum of economic, social, environmental and other areas. This is linked with the government’s capacity for knowledge, mediation, resource allocation, implementation and maintenance of key relationships” PUMA (2015)

PUMA (2015) asserts that there are many ways to define governance and good governance. However, there seems to be a general consensus that key factors include:

- Technical and managerial experience
- Organisational capacity
- Reliability, predictability and the rule of law
- Accountability
- Transparency and open information systems
- Participation

### **5.2.1.3. Examining strategies used for improving governance in municipalities**

DESA (2007:3) defines governance as “formal and informal arrangements that determine how public decisions are made and how public actions are carried out from the perspective of maintaining a country’s constitutional values.” A number of different organisations use different governance indicators to assess institutional capacity and evaluate the performance of the public sector. “Indicators are complex and reductive and the evaluation process is a complex exercise, given that the public sector is no longer homogeneous and it is also difficult to draw conclusions from input data to output, and then to outcome” DESA (2007:4)

“The United Nations has considered “good” governance as an essential component of the **Millennium Development Goals** [MDGs], because “good” governance establishes a framework for fighting poverty, inequality, and many of humanities’ other shortcomings” DESA (2007:1).

“Governance should not be reduced to government, as the three aspects of governance are interdependent in a society. Indeed, social governance provides a moral foundation, while economic governance provides a material foundation, and political governance guaranties the order and the cohesion of a society” Nzongola-Ntalaja (2002:17). “Governance concerns the State’s ability to serve citizens and other actors, as well as the manner in which public functions are carried out, public resources are managed and public regulatory powers are exercised”. European Commission (2003).

## **5.2.2 Secondary Findings**

The secondary findings of the study were as summarized to the following sections that are aligned to the research objectives and questions;

### **5.2.2.1. Section A: Evaluating whether the provincial intervention of placing Mquma Municipality under Section 139 was successful.**

It is noted in the literature review that a consensus also exists among theories such as Sera and Beaudry, (2007) that “in conducting monitoring and evaluation efforts, the specific areas to consider will depend on the actual intervention, and its stated outcomes assessing relevance, efficiency, effectiveness, impact and sustainability”. The questions therefore under section A seek to assess the relevance of the action taken, efficiency, effectiveness, the impact and sustainability of the intervention. The findings were that because there was no common understanding on what the intervention was meant to address the success was subjective to the parties concerned. There was however improvement post the administration period but since there was no thorough assessment pre the intervention, it can't be confirmed that the intervention was the sole reason for the improvement albeit the contribution it could have made.

This is crucial to assess the relevance of the intervention. This answers whether the situation that existed in the municipality warranted a Section 139 intervention. Understanding criteria that is used to place municipalities under administration clarifies exactly what warrants a dysfunctional municipality. From the interviews that were conducted in the municipality, the Department of Local Government and the Municipal employer body there was no consensus on the criteria used. There is a general feeling that because the criteria is not documented anywhere it therefore becomes subjective on the criteria used by the Department. Due to the differing situations in municipalities that sometimes warrants intervention however the only criteria that all parties agree upon is only when Council is failing to perform its legislative mandates. In Mquma the Council was not convening to adopt the budget and the Integrated Development Plan (IDP) as mandated by the law and the Council was therefore failing to execute its legislative mandate.

The Department of Local Government and Traditional Affairs (DLGTA) in its appointment of an Administrator granted the Administrator all the powers as head of

Administration as per Sections 55,56,66 (1), 67 (4) and 70 (1) in terms of Local Government: Municipal Systems Act as amended and Sections 60 to 66 and 68 to 72 of the Local Government: Municipal Finance Management Act. Furthermore the Administrator was given responsibility to assist the municipality to ensure that all Council meetings are convened in accordance to the applicable provisions of law and all resolutions are properly taken, processed and implemented.

There is however disagreement on whether the other items required an Administrator. There is a feeling that Section 154 of the Constitution where municipalities are assisted to render their functions properly by the municipality should have been instituted prior then failing which it could have warranted a Section 139 intervention. In the handover report drafted by the Administrator, it states that “the Administrator was not given a brief about key issues and challenges prevailing at Mngquma except for the terms of reference which clearly articulated areas that the Administrator would be responsible for amongst other statutory functions assigned as a result of the intervention; and as well as the role of being an Accounting Officer.”

The importance of any intervention as illustrated in the literature is that ability to evaluate the intervention to assess whether the intervention achieved what it was set out to achieve. Apart from the report that is presented by the Administrator there is no evaluation tool developed by either the Department of Local Government and Traditional Affairs nor the municipality or SALGA the employer body of municipalities. There are however conflicting views on whether the intervention assisted the municipality or not.

In the Administrator handover report, the Administrator’s view is that “the intervention has indeed yielded positive results which must be sustained by preserving the culture that was adopted and implemented in the six months tenure and though there is stability, there are still some issues that need to be taken into their logical conclusion.”

The municipality however has reservations on the results of the intervention sighting amongst others an audit opinion that regressed during the tenure of the Administrator allegedly due to service providers that were illegally appointed by the Administrator through flouted Supply Chain Management (SCM) processes because that was no oversight on the Administrator. The municipality further alleges that there was

increased irregular expenditure during the tenure of the Administrator that the municipality is still grappling with. Lastly the municipality still has concerns on the organogram that was developed by the Administrator wherein you have administration which is not the municipal manager reporting to Politicians e.g. the post of legal advisor reporting to the office of the Speaker.

The municipality sights that the improvement in the governance of Mngquma municipality was as a result of an intervention from the ruling political party. From the interviews conducted there seems to be no consensus on this issue and whether the political stability in Mngquma was as a result of the Section 139 intervention

#### **5.2.2.2. Section B: Evaluating the governance of Mngquma Municipality**

From the interviews and reports that were part of this research there is consensus that Mngquma was political instable. This was due to Council infighting and factionalism within the Municipal Council. According to the municipality the infighting was as a result of a split in the support for the administration staff. It reached a point where Council was not executing its legislative duties of adopting the IDP and budget of the municipality.

The Department of Local Government and Traditional Affairs and Administrator further stated amongst others the following as the status quo in Mngquma prior the intervention

- Inherent fraud and corruption practices (MIG AND EQUITABLE SHARE)
- Fraud procurement processes under investigation on various projects, in particular energy efficiency
- Irregular budget adjustments without Council approved procedures for such adjustments and without tendering for most projects
- Theft of municipal funds

There seems to be differing views on this issue of managerial capacity. The municipality claims there was never a skills shortage nor was there management that could not perform its duties. The municipalities goes further to state that there was no skills transfer even to the Acting Directors that were appointed during the administration process as a result none of them qualified to be appointed when the positions were advertised. However the Administrator commends these Directors for

performing their jobs with due diligence required. It however does not state what skills they were equipped with to better perform their duties. Because there was no thorough assessment of the municipal shortcomings prior the intervention evaluation of certain factors remains largely subjective to the stakeholders. Pre the evaluation there was no skills assessment on the management to carry out their respective tasks of ensuring that services were rendered in line with all legislation governing the local government sphere of government. The Department also had not undertaken any skills assessment prior the commencement of the intervention.

At the start of the Administration period, the municipal manager and his Section 56 managers were all dismissed and the municipality was without an Accounting Officer apart from the Administrator who was acting as the Accounting Officer during her tenure. The intervention brought some stability in that regards as the Municipal Manager was appointed and the posts of Section 56 managers were advertised and subsequently filled post the intervention period.

Due to the intervention of the Administrator many outstanding labour issues were resolved in the municipality in an attempt to bring stability in the institution. The Council further sat as legally required and legal decisions about the municipality were undertaken including rescinding of the illegal decisions that were taken during the period of political instability.

The issue of transparency however remains a contested issue between the Administrator and the municipality. The municipality alleges that there were decisions that were taken by the Administrator outside her terms of reference. For example the appointment of service providers that were appointed without following the proper supply chain management processes. The Administrator however through her appointment was eligible as an Acting Accounting Officer and decisions to appoint are within the powers of an accounting officer. This contestation further shows the different understanding on the role of the Administrator from the role players and could have been a source of contention to resisting some of the attempts by the Administrator to bring stability into the municipality.

According to the Administrator, Public participation has been revived and being driven from the Speaker's office and this includes engagement with various stakeholders and all Ward Committees are effective. There are however also contrasting views as to the

whether the public participation was a tool of unity or destruction. There are concerns that the structures of public participation were used as a source of destroying the municipality by perpetuating wrong information regarding the municipality. There are allegations of so called whistle blowing reports that were tabled without verification to these structures and these further contributed to the mistrust between the community and the municipality. As has been the trend in the previous questions what emanated again was the lack of common understanding amongst the role players with many factors being left to the subjectivity of the respondents as no tools were developed to evaluate the intervention. The Public Service Commission defines monitoring and evaluation as “a process of continued gathering of information and its analysis, in order to determine whether progress has been made towards pre-specified goals and objectives and highlight whether there are any unintended effects from a project and its activities. (Ijeoma 2013: 4).

### **5.2.2.3. Section C: Discussing strategies used for improving performance governance.**

Good governance refers to empirically observable politico-administrative way of making public policy-making reforming and organising and indeed the governance theory is often part and parcel of the strategy of good governance rather than an external observation” Bang & Esmark (2013:1). Band & Esmark (2013:2) posit that the overall strategy of good governance can be seen as a set of guidelines for politico-administrative practice in three relatively distinct ways; first it is a thinking about how to govern or how to conduct public governance, secondly it is a political agenda and lastly good governance involves particular stances and notions about the organisational reform of the public sector. Good governance covers three basic politico-administrative domains 1) public governance, 2) policy and 3) organisation.

The underlying point of governance perspective is to relocate politics and administration from the problem of the state to the problem of steering or put differently, to reframe the state of one particular construct that can be utilised with the more general ‘problematics of government’ Rose & Miller (1992:183).

There is general consensus on strategies that should be employed to improve municipal governance and they are as follows:

### ***i. Training of Municipal Public Accounts Committees (MPAC)***

One of the strategic objectives of the Local Government Turnaround Strategy that was developed in 2009 is to build clean, effective, efficient, responsive and accountable local government and while governance systems and structures are operational in municipalities, its quality and effectiveness is sometimes questionable.

SALGA (2012: 3) defines Oversight as a concept that refers primarily to the “crucial role of legislatures in reviewing and monitoring the actions of the executive organs of government. The executive in carrying out its tasks, whether by implementing legislation or policy, acquires considerable power (the ability to influence or determine a person’s conduct). A condition of the exercise of that power in a constitutional democracy is that the administration or executive is checked by being held accountable to an organ distinct from it (the legislature). This notion is inherent in the concept of the separation of powers, which simultaneously provides for checks and balances on the exercise of executive power, making the executive more accountable to an elected legislature.”

“While our Constitution gives expression to the principle of separation of powers by recognising the functional independence of the three branches of government (executive, legislature and judiciary), at local government level, however, a municipal council is vested with both legislative and executive authority” SALGA (2012: 3). Subsequent legislation, in particular the Municipal Finance Management Act, 2003, requires a certain level of oversight by the municipality over the executive authority. This entails amongst others, the annual report which includes the financial statements, the SDBIP, and also the performance of the municipal manager and other section 57 employees.

### ***ii. Roles and responsibilities of Mayor, Chief Whip, Speaker and Municipal manager must be understood***

Since there is no neat distinction between the ‘executive’ and ‘legislative’ arms of council, effective and proper oversight of the ‘executive’ at local level thus requires members of Council to fully understand the justifications and rationale behind

accountable government and the purpose it serves in sustaining the country's democracy and the agenda of a developmental local government. The view that oversight role is that of opposition parties alone, designed to police and expose maladministration and corruption is limited and deficient. Oversight and accountability helps to ensure that the executive implements programmes and plans in a way consistent with policy, legislation and the dictates of the Constitution.

***iii. Using Section 154 as the first action prior to implementing Section 139 of the Constitution***

Section 154 of the Constitution speaks of Municipalities in co-operative government and states that “the national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions” (Constitution: 1995). This section of the Constitution enables the implementation of the spirit of Cooperative governance whilst at the same time providing specialised support to municipalities. This could assist in ensuring that municipal functioning is not destabilised in the process.

***iv. Carry out proper analysis of the flaws in the current administration***

The process of implementing a Section 139 intervention would be less flawed if a proper analysis of the status quo was done. The way its currently being done includes subjectivity from all people involved and thus leads to resistance of the process. As has been shown earlier there are differing views on what the purpose of the other reasons for the interventions were and that was evident in the responses received from respondents.

***v. Appointment of qualified heads of Administration***

Although this issue was not part of the problem in Mquma as the contestation was on the process of appointment and not qualifications however all respondents agreed that generally it was one of the causes for poor governance in municipalities.

***vi. Separate the tendering system from Councillors to limit political interference.***

The respondents agreed that one of the issues that have potential to destabilise a municipality are Councillors that have influence on the tendering system and municipalities need to exercise due diligence in ensuring that the tendering system is kept separate from all political interference.

### **5.3. LIMITATIONS OF THE RESEARCH**

The issue of governance still remains a challenge not only in local government, but also across different organisations in South Africa. Unfortunately the findings of this research is limited to local government on the basis that it can only help highlight the principles on good governance which can be adopted and applied in other organisations. In terms of in-depth applications, the findings of this research are not suitable for application across different organisations which could be experiencing governance related challenges in South Africa. As in case of municipalities, the application of the findings of this research would be appropriate. Despite the fact that the issue of governance frequently occurs in municipalities, this research still faced a limitation that most of the studies have not been directed towards evaluating municipal governance in South Africa. This was a limitation as the study faced challenges in attempting to compare and contrast its findings. However, using prior studies conducted in other sectors, this limitation was overcome. Although costs also posed challenges towards the successful accomplishment of this research, the researcher was able to overcome such cost limitations by saving for some time and then later resuming the primary data collection.

### **5.4 CONCLUSION**

Generally, the study indicates that achieving effective municipal governance in South Africa is far from being attained. In terms of the principles for effective governance, the study reveals that the effective implementations of good governance principles in municipalities is marred by factors that include; poor definitions of terms of reference of intervention processes, poor definition of what poor governance in municipalities, lack of evaluation tools for intervention and a process that is highly dependent on subjectivity which subjects it to undue external influence. In the discussions, it was

argued that this subsequently contribute poor working environment, non-improving municipal governance, lack of commitment and non-improving quality of service delivery. However, it was noted that there is still ineffective applications strategies which can be used for improving municipal governance in South Africa. While considering the primary and secondary findings of the study, it was recommended that despite all the contrasting views on the intervention, there was a lot of common ground on the strategies that could be used to improve municipal governance which should be implemented in municipalities.

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# RESEARCH INSTRUMENT (STRUCTURED OPEN ENDED INTERVIEWS)

Section A: Evaluate whether the provincial intervention of placing Mnquma Municipality under Section 139 was successful

Briefly explain what criteria is applied to select a municipality to be placed under Section 139
What were the terms of reference for the intervention?
What criteria is used to measure success of the intervention
Describe how the intervention has improved the governance of Mnquma Municipality

Section B: Examine the governance of Mnquma Municipality pre and post the intervention

Briefly explain what was were the governance issues in Mnquma before the intervention

Explain whether managerial capacity improved as a result of the intervention
Explain whether Organisational capacity improved as a result of the intervention
Explain whether Accountability improved as a result of the intervention
Explain whether transparency improved as a result of the intervention
Explain whether public participation improved as a result of the intervention

Explain whether the environment conducive to proper administration, rule of law and effective service delivery was achieved as a result of the intervention


Explain whether all the governance issues that were identified improved post the intervention. If not which ones regressed or remained the same?


Briefly explain whether the improvement or regress was as a result of the intervention?


Was there any skills transfer during the administration period?


To what extent is the Municipal Council supportive of the initiative to improving municipal governance?


Section C: strategies which are used for improving municipal governance

What measures are put in place to ensure that the roles, objectives , functions and powers of the Municipal Council are clearly understood by all Councillors

Explain how the political administration dichotomy can be managed?

How are the stakeholders engaged to achieve improved governance in Mngquma municipality?

Which strategies were used to improve municipal governance

Explain how Council is capacitated to manage its oversight function?

