What steps should government take to improve public service delivery?

Introduction

As the citizens of the Phumelela municipality embarked on two months of violent protest in 2004, one protestors explained "we complained on a daily basis, but what we got was … an IDP".[1] The people of Phumelela had a long list of grievances - from inadequate water supplies, the persistence of the bucket system, and a lack of basic infrastructure like road and power - but the central message was of an erosion of belief that their local government will deliver. The grand plans and vision of the Phumelela IDP weren't enough, the people demanded action.

In the period since the Phumelela protests, there have been approximately 771 service delivery protests, reflecting a broad sense of discontent, and deep problems across government. There are a wide number of explanations for continued service delivery problems, but the most popular fall into three categories: resources, capacity, and structure.

A lack of resources are the first, and most intuitive of the explanations. The development challenge in South Africa is immense: after 1994, the government effectively had to hugely expand quality basic infrastructure to the excluded majority. This challenge must be undertaken by a government that is currently funded by an economy stuck in slow growth, already burdened by high debt levels, and with dozens of other pressing priorities to address. The crisis of resources is most pressing for municipalities, most of which are not financially self-sufficient, but which must often take the lead in implementing development initiatives. Even when resources are made available, however, they are often underutilised. Take the case of the Municipal Infrastructure Grant, a R15,5 billion pot of money that is meant to help under-resourced municipalities build basic infrastructure, and which is chronically underspent.[2] In the 2013/14 financial year, R1.9 billion was left unspent in the MIG.[3]

Under Spending points to the second explanation: a chronic lack of capacity. South Africa lacks the qualified and experienced public servants that are so necessary to turn government plans into action. The skilled professionals we do have often end up in the more prestigious positions in central government and the large metros, while smaller municipalities struggle to attract talent. Vacancies are widespread across the public sector, but are particularly severe in the municipalities that most need strong leadership. Local government structures in particular are very 'top heavy', with lots of junior staff but few senior managers to provide leadership to their

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[1] CDE. 2007. "Voices of Anger, Phumelela and Khutsong: protest and conflict in two municipalities". *CDE Focus No. 10.* Johannesburg: Centre for Development and Enterprise.
[2] Auditor-General. "MFMA 2013-14: Consolidated general report on the audit outcomes of local government." Pretoria: Auditor-General South Africa.
[3] Ibid.

team's efforts. The quality of the senior management that is in place is often questioned, with many lacking the adequate expertise for their positions. Others points to chronic cronyism and the ANC's policy of 'cadre deployment' as drivers of poor leadership, as senior positions are filled based on political interests rather than on skill.

The third pillar of blame is often laid on the very structure of government itself. Many argue that there are too many government departments, and too many government layers (national, provincial, municipal, special agencies, state enterprises, and so on). The extremely complex structure of government makes it hard to fix problems, because getting one department or municipality working well may have limited impact on the big picture. The structure of government also complicates accountability, with service delivery responsibilities split between government at local, provincial and national levels. With so many people in charge of delivery, no one is accountable, and very few have the actual authority to make decisions that can have an impact. Efforts to align the various levels of government often have little impact on departments with weak capacity, who are so stretched trying to meet their basic activities that they neglect performance management systems.

This paper will analyse the service delivery problems in three steps. First, the state of the public service will be explored. Second, the nature and impact of service delivery problems will be examined. Third, some recommendations to improve service delivery will be offered.

The State of the Public Service

Creating an efficient public service should primarily be understood with reference to how well it can deliver to the public. However, since delivery can be complicated by many factors outside of government's control - such as the level of poverty and the history of a country - much of the focus must be on getting internal structures service right first.
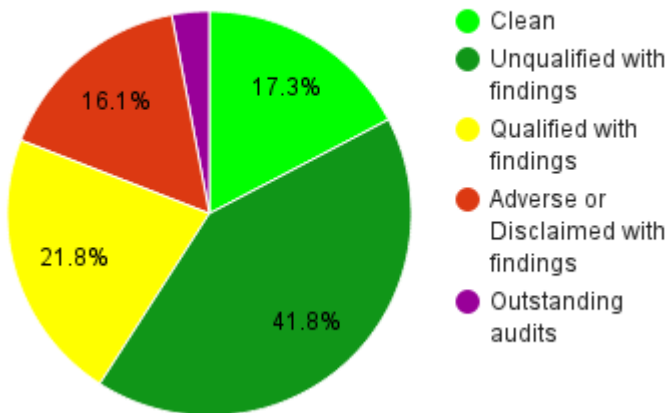
Performance and Compliance

Efforts to reform and improve the efficiency of the public service are governed by a number of national departments (the National Treasury, the Presidency, Departments of Public Service and Administration, Cooperative Governance, and others) and pieces of legislation. While there are promising structures in place at national level, the capacity of these to improve service delivery is dependent on the compliance of government structures with these central controls.

A good indicator of how well the public service is conforming to the internal controls put in place are the reports of the Auditor-General. The Auditor-General produces two major studies. The PFMA (Public Finance Management Act) report audits compliance amongst national and provincial departments, while the MFMA (Municipal Finance Management Act) audits local government. In the 2013/14 reports, both indicate improving compliance, but with persistent problems at all levels of government.
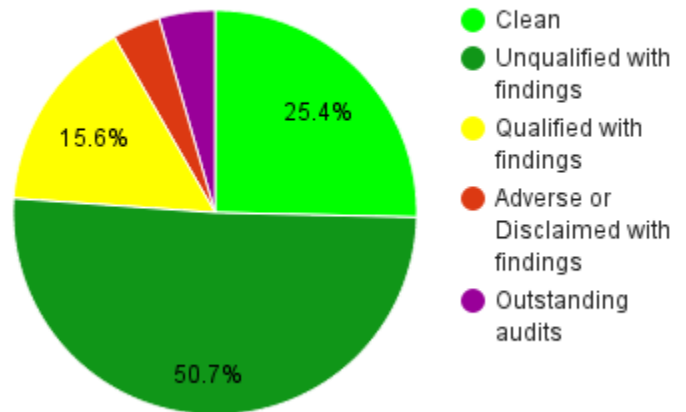
Figures 1[4] and 2[5] breakdown the results of the 2013/14 reports. Both show that a majority of audited departments are either completely compliant ('Clean') or financially compliant with some performance management concerns ('Unqualified with findings'). These audit levels reflect that government departments meet the minimum standards for following relevant regulation and implementing financial and performance management systems, and it remains worrying that a very large portion of the departments cannot even meet these basic levels.

Underneath these results are more worrying signs. In most cases, the reporting and management systems of auditees only met standards because either external consultants or auditors themselves helped bring them up to compliance. Only 43% of national departments would have complied with financial standards if not for the intervention of auditors. The auditees that do meet standards tend to be clustered into the wealthier provinces and municipalities. No municipality in Limpopo, Free State or North West received a clean audit, while only one department in each of Limpopo, KZN and the North West received a clean audit. Non-compliant departments and municipalities are often those that face the biggest development challenge:

MFMA 2013/14 Audit Results

- Clean
- Unqualified with findings
- Qualified with findings
- Adverse or Disclaimed with findings
- Outstanding audits

PFMA 2013/14 Audit Results

- Clean
- Unqualified with findings
- Qualified with findings
- Adverse or Disclaimed with findings
- Outstanding audits

meaning those in need of the most capacity, often have the least to work with.

These results are consistent with other monitoring mechanisms, such as the Management Performance Assessment Tool. Amongst general management measures, the MPAT also focuses on direct service delivery improvement initiatives, and other factors that have a major impact on delivery, such as human resources management. A staggering 80% of of provincial and national departments are non-compliant with service delivery improvement efforts, such as

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[4] Auditor-General. "MFMA 2013-14: Consolidated general report on the audit outcomes of local government." Pretoria: Auditor-General South Africa.

[5] Auditor-General. "PFMA 2013-14: Consolidated general report on national and provincial audit outcomes." Pretoria: Auditor-General South Africa.

the drafting of service charters and delivery improvement plans, while 88% are non-compliant with human resources planning requirements.[6]

The impact of non-compliance is hard to judge. In some cases, it may be true that departments and municipalities didn't meet standards because they are already overwhelmed with work, and were unable to devote more time to the necessary monitoring and evaluation efforts. It is certainly true that the burden of reporting is very heavy for many government agencies, and efforts should be made to streamline the financial and performance management system. Even when this is the underlying cause of non-compliance, it is extremely concerning, as a lack of proper systems makes it difficult for changes at national level to positively impact activities of provinces and municipalities.

But in many other cases, poor results reflect deep systemic problems that can undermine service delivery. Lack of financial controls help contribute to irregular expenditure of R62,7 billion in the national and provincial departments[7], and R11,4 billion at the municipal level[8]. This is money that simply cannot afford to be lost, as many departments are under severe financial strain. 87% of municipal auditees were rated as financially concerning or worse, while 22% were in need of immediate intervention.[9] 36% spent more resources than they had, contributing to a deepening public deficit.[10]

And yet despite this, resources remain underutilised. Over half of municipalities underspent their capital budget by more than 10%, while 44% underspent on available grants by a similar margin. Infrastructure, which should be an easy win, is a case in point. Of the R15,5 billion available in the Municipal Infrastructure Grant, only R13,6 billion was spent. Even where money was spent, it often did not result in positive impact, with a total of 43% of municipalities not hitting their targets. This underspending almost certainly seems to be due to a lack of capacity, and demonstrates that simply increasing funding to government is not adequate to improve service delivery.

Senior Management and Leadership
The deep seated problems in governance and delivery require leadership. This leadership will have to come from both political appointees and from senior members of the civil service. Both face numerous challenges.

Political appointees are often accused of being chosen on political grounds, rather than on competency. Most of Ministers have little experience in the field governed by their department.

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[6] The Presidency. 2013. "State of management practises in the Public Services: Results for management performance assessments for the 2012/13 financial year." Pretoria: the Presidency, Department of Performance Monitoring and Evaluation.

[7] Auditor-General. "PFMA 2013-14: Consolidated general report on national and provincial audit outcomes." Pretoria: Auditor-General South Africa.

[8] Auditor-General. "MFMA 2013-14: Consolidated general report on the audit outcomes of local government." Pretoria: Auditor-General South Africa.

[9] Ibid.

[10] Ibid.

This is a particularly serious concerns for more technical departments such as energy, agriculture, and policing. Some sections of government - notably the economics cluster - have bucked this trend, and seem to have benefited from expert leadership. Ministers don't necessarily need technical skills, if they manage to receive appropriate training and surround themselves with experts, but they will then require a process of learning and adjustment. Few get the chance, however, because of frequent changes to the structure of the cabinet. Reshuffles destabilize departments and undermine the creation of a long-term vision for reform and development. Government entities that have stabilized senior positions and drawn promotions from within - such as the National Treasury and SARS - have some of the most successful track records. A system of promoting from within also incentivises performance throughout the organisation. It is crucial that the creep of political appointees - in which ever more positions are decided based on political considerations - is avoided. If promotions are barred by political considerations, then departments will always find their best people employing an 'up-and-out' approach, leaving government once they are promoted as far as they can go.

Even if there is a general stabilization of political leadership, the political heads are only as good as the civil service that must implement their decisions. Senior and technical positions amongst the operational level of the public sector are under severe strain. Simply filling these positions has proved a challenge, with persistent vacancies a large problem across the public service, particularly at the level of municipalities. Reports indicate a vacancy rate of 12% across local government in 2009, but this figure undersells the problem for certain locations.[11] More isolated and underscored municipalities struggle to fill positions. In the case of one Limpopo municipality, all senior (S57) positions are vacant.[12] Nationally, only Gauteng has managed to appoint a Chief Financial Officer in every municipality.[13]

Filling vacancies is, however, very easy if one applies a low standard in recruiting efforts. Political pressure to recruit risks driving down the standards of senior management. One team from the Department of Cooperative Governance reported "that a former tea lady had become the CFO during one municipal assessment", and while that is clearly an extreme example, it is indicative of a problem that can be solved on paper, but which may generate more serious concerns if the right people are not recruited.[14]

Many central service delivery challenges - such as providing water, power, housing - are very technically difficult, requiring the management of complex infrastructure projects. Without skilled managers, municipalities will continue to struggle.

Structural Concerns
While the central problems of a lack of internal controls and leadership must be addressed, in the long term structural concerns may become increasingly important. The proliferation of

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[11] Department of Cooperative Governance and Traditional Affairs. 2009. "State of Local Government in South Africa". Pretoria: COTGA.
[12] Ibid.
[13] Ibid.
[14] Ibid.

government departments without additional skills or resources simply dilutes the authority and capacity of each section.

The structure of government has been driven by specialisation (the creation of specialist departments for key issues) and decentralisation (the creation of multiple small government segments, most notably represented by the municipalities). In theory, both efforts should increase the capacity of government, as different sections are able to focus on and become experts in their areas of expertise and their part of the country. Decentralisation should also facilitate greater citizen participation.

Decentralising government is well suited to South Africa in theory, as the demands of Johannesburg are entirely different from those of a small Limpopo municipality. But in practise it is has created a number of costs, of which three are particularly important.

First, decentralisation creates duplication of activities, most notably in the formation of plans and policy positions, which must be put together by hundreds of municipalities, often at great cost. Duplication costs more, and takes precious resources away from delivery activities. Second, decentralisation dilutes accountability. As one study notes: "to establish a farm, a South African that has received land under a reform program must apply for separate funding for planning, land acquisition, agricultural, investments, advisory services, and housing."[15] These actions are segmented across as many departments and subdivisions. Failure to provide that farmer with assistance can be blamed on so many people, that none are truly accountable. Third, decentralisation dilutes the authority of any one actor. Even senior civil servants must gather permissions from numerous centres of power. Inefficiency in any of these points will slow down the entire delivery process. Fourth, even where authority is properly assigned, managing the connections of multiple decentralised blocs of power can be extremely complex. In Gauteng, for example, transport is managed at a municipal level, even though the province is small and densely populated enough that all transport networks eventually converge. Managing multiple centres of authority complicates service delivery, requiring costly and time consuming coordination between the various municipalities.

Changing the very structure of government at this point may be counterproductive, as constant reshuffles of government structures can create a level of confusion and adjustment that can undermine implementation. But efforts should be in place to try overcome the challenges of decentralisation. This includes stopping creating new departments, and creating cooperation mechanisms to get all necessary decision makers together to drive delivery. In some cases (such as the example of transport in Gauteng) flexibility in reassigning authority might help overcome complex overlaps in responsibility.

Impact of Service Delivery

Service delivery is a complex, difficult task, and particularly so in South Africa. The infrastructure backbone of the country was not built to be inclusive, and the process of restructuring the entire

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[15] World Bank. 2011."Accountability in Public Service in South Africa." Washington, DC: World Bank.

system to meet the needs of the whole population is a massive task. Good progress has been made in many areas, but huge problems remain, particularly in underserved areas. The unequal distribution of services is particularly dangerous: seeing others with resources that you are denied can possibly generate as much anger as the lack of services in the first place. While any government would struggle to meet the demands of South Africa's transformation, the deep problems in government remain a significant barriers to meeting this challenge.

Continued weak service delivery is undermining trust in government, and breeding anger in underserved communities.

By most measures, citizens are growing ever more doubtful of the ability of government to meet their needs. The Edelman Trust Barometer, a global survey of trust in institutions conducted in 27 countries, ranked South Africa last in 'Trust in Government', with only 16% of respondents trusting their government in 2015, compared to a global average of 48%.[16] The same survey found 64% of South Africans trusted business. Other studies show drastically different results. Approval ratings for President Zuma, a rough proxy for trust in government, have varied between 34% and 60% during his administration.[17] The reconciliation barometer, an annual survey, identified similar levels of trust in government, but highlights the disparate levels of trust by racial group, with under 30% of white South Africans trusting the government, compared to over 50% of black South Africans.[18] While little data is available on trust in unions or other institutions, the reconciliation barometer does highlight a continued lack of trust within broader society, with around 28% of respondents claiming to mistrust other racial groups - indicative of a far deeper pandemic of distrust across the country.

This lack of trust, combined with anger over poor service delivery and a lack of engagement with communities, has fueled a growing number of service delivery protests across the country. The figure[19] below shows the number of major service delivery protests between 2004 and 2014, which hit their peak in 2012 with one protest every two days. This figure may in fact be higher. It is difficult to judge just how many delivery protests occur, as different sources categorise protests differently. Some other sources list over 200 protests taking place in both 2009 and 2012.[20] The source for the graph below, Municipal IQ, estimates that these protests were only 30% of total protests occurring in South Africa since 2004, and many others may have had service delivery complaints included in their protest action.

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[16] Edelman. 2015. "Edelman Trust Barometer Global Results". New York: Edelman. http://www.edelman.com/2015-edelman-trust-barometer-2/trust-and-innovation-edelman-trust-barometer/global-results/
[17] BusinessTech, "Zuma approval rating at all time low", 3 September 2014. http://businesstech.co.za/news/government/67424/zuma-approval-rating-at-all-time-low/
[18] IJR. 2014. "SA Reconciliation Barometer Survey: 2014 Report". Cape Town: Institute for Justice and Reconciliation. http://reconciliationbarometer.org/wp-content/uploads/2014/12/IJR-SA-Reconciliation-Barometer-Report-2014.pdf
[19] Municipal IQ Hotspots Monitor, as quoted in Jolobe, Z. 2014. "The Crisis of Democratic Representation in Local Government." Johannesburg: WISER.
[20] De Visser, J. & Powell, D. 2012. "Service Delivery Protest Barometer 2007-2012." Cape Town: Multi-level Government Initiative, Community Law Centre.

Number of Major Service Delivery Protests, 2004-2014
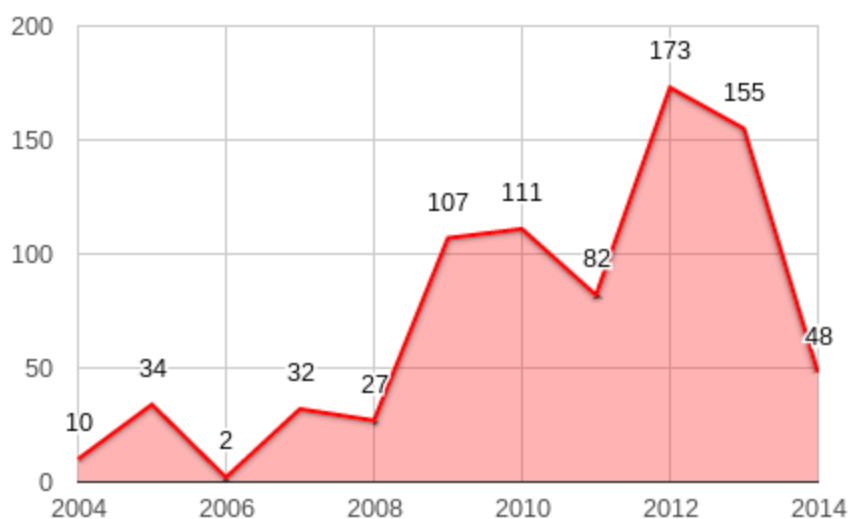
Doreen Atkinson[21] contributes the causes of protests to three factors: a lack of service delivery, the unresponsive nature of local government structures, and perceptions of corruption.

The unresponsive nature of local government is of particular interest here. There are numerous cases of protesters lodging complaints with municipalities and other government structures, and receiving little or no feedback. This breeds a belief that there is no other option but to turn to protest. While a lack of service delivery and perceptions of corruption might create the anger that drives protests, it is the lack of responsiveness that turns that anger into protests, rather than into more peaceful means of objection such as lodging complaints or entering into discussions with government. One of the key services government needs to be empowered to provide is that of responsiveness. Consultation is the primary mechanism by which this has been achieved in the past, but that can often slow down the speed of service delivery. In this case, responsiveness may be a better way forward, making citizen believe their concerns are being heard and dealt with.

Specific complaints regarding service delivery are broken down in the table below.[22] Land and housing consistently register as leading complaints, reflecting continued problems in both the rollout of RDP housing and the process of land reform. But core services - such as electricity, water, sanitation, and delivery broadly defined - are constants complaints. In all likelihood, it is the combination of numerous problems that incites the most intense anger.

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[21] Atkinson, D. 2007. "Has Developmental Local Government Failed in South Africa?" in Buhlungu, S., et al (eds) *The State of the Nation: South Africa 2007.* Pretoria: Human Sciences Research Council.

[22] De Visser, J. & Powell, D. 2012. "Service Delivery Protest Barometer 2007-2012." Cape Town: Multi-level Government Initiative, Community Law Centre.

	2007	2008	2009	2010	2011	2012
1	Poor service delivery	Land and housing	Land and housing	Land and housing	Electricity	Land and housing
2	Land and housing	Electricity	Poor service delivery	Poor service delivery	Party political	Water/Poor service delivery
3	Water	Poor service delivery	Corruption/nepotism	Water	Land and housing	Electricity
4	Electricity	Water	Electricity	Electricity	Water	Ignored grievances
5	Party political	Sanitation/waste	Sanitation/waste	Sanitation/waste	Sanitation/waste	Infrastructure

Perhaps surprisingly, service delivery protests are most common in major metropolitan centres like Johannesburg, Ekurhuleni, and Cape Town. This is despite the fact that provincial and local government in these areas are amongst the most highly regarded in the country, and often do not feature problems of vacancies and a lack of resources that affect more vulnerable locations. The central challenge in these centres is rapid migration. As ever more people move to major cities to seek jobs and opportunities, current service infrastructure is put under strain. Unlike in more isolated locations, it is very difficult to perform major infrastructure construction in major cities, which must contend with minimising the impact of construction in densely populated spaces. While there are serious capacity problems in more developed cities, their local and provincial governments generally do have the capacity to put additional resources and plans to work. In the case of the cities, the problem is more one of managing a complex service delivery task, rather than entirely reforming the way the state operates.

Protests in less developed municipalities are more clearly about the lack of capacity in local government. This is most strikingly on display in the case of the township of Khutsong, which experienced prolonged service delivery protests that caused R70 million of damage in their first five months and sparked a boycott of municipal rates and local elections.[23] The protests in Khutsong had numerous causes, but central amongst them was the rezoning of their Merafong Municipality out of Gauteng and into the North-West. The protest is a striking example of how perceptions of local government inform people's beliefs on service delivery. The North-West's record of struggling to meet governance standards was understood as so great a threat to the citizens of Khutsong that they were willing to take to the streets.

Protest action in more isolated and underdeveloped locations is of particular concerns, because the near-term economic prospects for these areas is often worrying. With government overwhelmed with trying to create basic infrastructure, and businesses unwilling to invest in underdeveloped locations, there is no clear path to economic development in these areas in the short-term. This is important, because without the creation of jobs and opportunities, citizens will remain dependent on government to provide them with basic services. Continued failure to do so places the most vulnerable citizens in a dire situations and, without other functioning mechanisms for engagement, these desperate situations will drive further unrest.

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[23] CDE. 2007. "Voices of Anger, Phumelela and Khutsong: protest and conflict in two municipalities". *CDE Focus No. 10.* Johannesburg: Centre for Development and Enterprise.

Strategies to Improve Service Delivery

Most of the problems facing government are well known, but structurally difficult to address. There is little extra tax money to allocate, few extra skills to tap, and large development challenges that cannot be wished away. Many of the most serious problems will only be address by very long-term changes. Nevertheless, a good indication of what needs to be done can be found in the recommendations of the Auditor-General[24]:

1. Get Basics Right: Fill Vacancies with competent officials, implement basic internal controls, and insist on regular and credible reports.
2. Enforce compliance with legislation by implementing processes that make them part of daily routines.
3. Hold people accountable for poor performance and transgressions.
4. Encourages and support proactive audit committees and internal audit units.

Getting these fundamental issues right must be of central focus, but other innovative strategies should also be considered. The strategies below are suggestions that might help alleviate some of the largest problems, while the efforts to address them primarily are being undertaken.

Build Networks in the Public Sector

While most of the changes to improve service delivery will have to be taken by government itself, some supplementary initiatives can be undertaken by unions and other civil society actors. One useful initiative would the creation of a network amongst public sector workers, which would serve two functions. First, it would act as a facilitating body to overcome overlapping responsibility. Where multiple departments and municipalities must approve an action, the network could help gather the various actors together, to at least align planning and discuss problems. Second, it would help create learning opportunities, as more experienced public servants and those from more successful departments and municipalities can offer their experiences to those operating in more difficult environments. Such a network would be a powerful demonstration of the commitment of union members to meeting the needs of their communities.

Simplify Reporting Systems and Standards

Efforts to improve delivery tend to come from national government level. Many of these initiatives are potentially very useful, but their impact tends to decrease as they reach provincial and then municipal levels. Too often, this is because the mechanisms that should drive compliance with these changes are just too burdensome and complex for strained municipalities to comply with. Compliance with each standard alone might be possible, but each section of government must deal with separate monitoring processes for everything from management to individual performance to … Consolidating the multiple reporting tracks, and simplifying each one, will better encourage the types of controls that can make government more coordinated and efficient.

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[24] Auditor-General. "PFMA 2013-14: Consolidated general report on national and provincial audit outcomes." Pretoria: Auditor-General South Africa.

Concentrated Interventions
Municipalities suffering from deep entrenched problems often have the most limited capacity to fix themselves. Centralised changes to reporting standards or legislation very often fail to change these municipalities, since they lack the capacity to comply with the changes. Some of the more successful interventions have involved the deployment of experts from central departments, notably the National Treasury and SARS, to assist in restructuring local government departments. The need for external experts is perhaps most starkly illustrated in the government's immense reliance on consultants, with national and provincial departments spending R30.5 billion on consultants in 2013/14.

However, given the depth of the problems in the municipalities, there are simply not enough resources available to deploy experts fix everything all at once. And an ad hoc approach - of fixing one part of one municipality at a time - is insufficient, and fails to recognise the structural nature of many of the problems local government faces. National government should consolidate their efforts into a single team, that deploys to targeted municipalities, and works with them to restructure their operations. This task team would have to have significant resources, and be able to stay as long as needed in the municipality in question. It could draw on preexisting, and underutilised funds, such as the Municipal Infrastructure Grant, the Municipal Systems Improvement Grant, and the Financial Management Grant. The central motto of the unit should be: do not leave, until the municipalities are in a position to fix themselves.

Consider a System of Service Rotations
The recruitment of skilled personnel to rural and underdeveloped areas is not an issue that is limited to government. Amongst the most pressing recruitment challenges in the country are how to get medical professionals - doctors, pharmacists, and even veterinarians - to the parts of the country that most need their assistance. In all of these cases, gaps have been partially filled by community service requirements, which compel young medical graduates to gain experience by working in underserved communities. A similar system should be considered for young people seeking entry to the public service.

The impact that this could have is limited, most notably by the fact that it would not address leadership problems. In many cases, this might also slightly increase the strain on managers, as recent graduates require extensive guidance. But it would provide a new, untapped pool of skilled public servants. And in the long-run, it would create a pathway into the public service that assures more senior officials are well informed of what it is like to work in a small municipality. It is notable that in China, which exercises substantive centralised control despite being an enormous and very diverse country, most leaders first serve in the rural areas, and only once they have proved themselves are they granted more prestigious positions in the major cities.