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Decentralisation or recentralisation: international lessons for South Africa

Summary

Decentralisation is seen as an approach that will enhance the quality and the effectiveness of public administration. However, although in the recent decades developed and developing countries have shown this tendency towards decentralisation, the present indications are that some governments are retracting these efforts and prudent steps are being taken towards recentralisation. What was regarded as the major advantages of decentralisation are nowadays disputed issues. In this article decentralisation as applied in South Africa will be evaluated in the light of international tendencies and recommendations made regarding prerequisites for an effective decentralised system of governance.

Desentralisasie of resentralisasie: internasionale lesse vir Suid-Afrika

Desentralisering word as 'n benadering gesien wat die kwaliteit en doeltreffendheid van publieke administrasie sal bevorder. Alhoewel ontwikkelde en ontwikkelende state gedurende die afgelope dekades 'n geneigdheid tot desentralisasie getoon het, is daar egter aanduidings dat bepaalde regerings teen die tendens draai en terugbeweeg na resentralisasie. Wat aanvanklik as voordele van desentralisasie gesien is, word tans bevraagteken. In die artikel word desentralisasie soos dit in Suid-Afrika toegepas word, aan die hand van internasionale tendense geëvalueer en aanbevelings gemaak rakende die voorvereistes vir 'n effektiewe en doeltreffende gedesentraliseerde regeringstelsel.

Recent dramatic changes in South Africa have created a mandate and new opportunities for altering the basic political and economic institutions of the country. Progress has been made in creating new national institutions that provide the foundation for a pluralistic democratic society and free economic markets. Such institutional reforms are necessary preconditions for effective democratic and free market systems, but in themselves not sufficient to guarantee the long-term success of this transition.

Change does not necessarily imply a positive result. Despite the formal abandonment of apartheid policies, South Africa remains a highly unequal society. After the second democratic election, President Thabo Mbeki reiterated the government's commitment to its 1994 and 1999 election promises of, *inter alia*, delivering efficient and effective services, creating jobs and providing effective education and training for development.

To bring its election promises to fruition and to meet the high expectations generated by the elections, a trend towards decentralisation developed. This is not peculiar to South Africa and the trend is more profound than a mere administrative device. Decentralisation is regarded as a panacea and as a prerequisite for effective public administration.

Although there has been no global assessment of the influence of decentralisation, sufficient indications exist that results have been mixed, and in some cases even negative. These results will be analysed in order to determine whether decentralisation or (re)centralisation is in fact the solution which would ensure that reform and transformation efforts in South Africa lead to an improvement in the quality of life of individuals. Attention, therefore, will focus, *inter alia*, on:

- public service transformation in South Africa;
- decentralisation as a theme of reform with reference to the arguments in favour of decentralisation or (re)centralisation;
- how decentralisation is practised internationally, and
- lessons for South Africa in respect of decentralisation.

1. Public service transformation in South Africa

Over the past few years, many countries around the world have been forced to make major changes in their management approaches and have come up against all kinds of issues impeding the implementation of new strategies. South Africa is no exception. The constitutional change that paved the way for a democratic dispensation directly influenced the public sector, leading to major structural changes aimed at undoing and eradicating some of the aberrations of the past.

Prior to the national elections of 1994, the governing authorities were structured in terms of three tiers or levels (central, provincial and local), and South Africa was a unitary state in the sense that the central legislature was supreme and all power was vested in it. Consequently, only powers to perform specific functions were delegated to provincial authorities which, in turn, delegated where necessary to local authorities. However, the 1996 Constitution provided for an innovative approach to governance by introducing concepts such as co-operative governance and by making provision for spheres as opposed to levels/tiers of government. These spheres of government must, *inter alia*:

- provide effective, transparent, accountable and coherent government for the Republic as a whole;
- respect the constitutional status, institutions, powers and functions of governments in the other spheres;
- not assume any power or function except those conferred on them in terms of the Constitution, and
- exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere (RSA 1996: Constitution Section 41(1)).

Co-operative governance demands joint decision-making and action among the spheres of governance. However, it is not specifically stipulated in legislation how co-operative governance should take place in reality. Thus, the respective roles and responsibilities of each sphere of government are not always clear, giving rise to a situation whereby fragmentation, confusion and duplication could

occur as different interpretations prevail. It is necessary, therefore, to describe the phenomenon of decentralisation as a means of ensuring democratic governance in South Africa.

2. Decentralisation as a theme of reform

The word "decentralisation" denotes the transfer of functions and authority to act from a central or national institution or functionary to a regional or local institution or functionary (Reddy 1996: 6). According to a study by the United Nations (1962: 8) two distinct uses of the term exist:

- Deconcentration of decision-making authority to dependent field units of the same department or level of government, that is the delegation to civil servants working in the field of power to make decisions in the execution of central policies;
- Devolution of decision-making authority to relatively autonomous regional or local governments, or to special statutory bodies, that is the ceding of power to make decisions (including restricted policy-making power) to representative (usually elected) authorities, or to more or less autonomous public or voluntary enterprises.

However, according to Allen (1990: 4), deconcentration and devolution may be "territorial" (to units geographically separated from the centre); or "functional" (assigning responsibility for specific kinds of government activity). Moreover, either type of decentralisation may be general-purpose, with responsibility over a range of governmental activities (*e g* the functions of an elected city or county council or an appointed regional or provincial governor) or special-purpose (*e g* those of appointed revenue commissioners). Decentralisation also implies the granting of "autonomy", of which two types can be distinguished:

- operational autonomy, covering the management of financial and human resources as well as the internal organisation and location of units, and
- strategic autonomy, involving the ability to propose or take part in defining objectives and the choice of service delivery methods and the assignment of priorities according to a unit's situation and specific constraints (OECD 1994: 61).

If the issues of responsiveness and accountability are discussed as part of a process of decentralisation, a further distinction becomes apparent: that between intra-organisational and inter-organisational decentralisation. At the micro-level, where the unit of reform is a single organisation, decentralisation involves greater delegation of authority within the framework of a hierarchy in which ultimate power and responsibility remain at the top. In principle, delegation is reversible as everyone is subordinate to the same authority. At the macro-level the unit of reform is a network of organisations only partially subordinate to a single central authority. The constituent organisations have degrees of freedom that are not available to the sub-units of a single organisation. Here, decentralisation is not so much delegation, but devolution and deconcentration (Leong 1996: 5). This has important managerial implications of two distinct kinds. First, the co-ordination of the system as a whole depends on the direct efforts of the constituent organisations to manage their relationships with each other and less on a centre-periphery line of control. Managing interdependence largely depends on increased capacities for horizontal co-ordination at lower levels in the system rather than channelling all co-ordination problems through the centre (Metcalf 1997: 66).

Reforms of inter-organisational networks are difficult to manage as co-ordinated changes have to be made in many organisations, whether simultaneously or sequentially. This is a matter of concern as there is an increasing need in government for major improvements in productivity or significant changes of policy to be supported and reinforced by the re-organisation of the entire network of organisations by means of which public policies are managed. At both levels, the benefits of decentralisation can only be realised if new forms of central control and co-ordination are introduced (compare Bouckaert & Verhoest 1997: 3). If individual managers or individual organisations simply pursue their own objectives, they run a serious risk of loss of direction and overall coherence in the management of public policies (Wang & Tao 1996: 3).

Besides the diffusion of the types of decentralisation, the question of the best alternative for making decisions regarding policies and the implementation thereof remains unanswered. In practice this

means that emphasis on centralisation, decentralisation and recentralisation seems to be cyclical, with trends in the discussion alternating continually. The importance of discussing the arguments in favour of both decentralisation and (re)centralisation is thus evident.

2.1. The arguments in favour of decentralisation

It is not difficult to make a case for decentralisation based on the dysfunctional influence of over-centralised structures and systems on performance. If power is concentrated at the centre too many minor decisions have to be referred up the hierarchy for approval. This does not necessarily improve the quality of decisions, and it almost certainly leads to bureaucratic delays that are costly and frustrating. Individuals and organisations at lower levels have too little discretion to do their jobs efficiently and are discouraged from exercising any initiative (Olowu 1998: 615). Centralising tendencies are often reinforced by organisational structures and accountability systems that are geared more to allocating blame and punishing failure than to rewarding success or establishing incentives to accept responsibility. Hierarchical accountability adds layers of bureaucracy without necessarily securing more effective control. For these familiar reasons, over-centralisation leads to slowness and inefficiency in operational management and difficulties in adapting to change (Metcalf 1997: 67).

Centralisation does not guarantee clear central direction or a coherent general strategy. In government, "the centre" is often not a single entity with a well-defined set of priorities. The more usual situation is that the centre consists of a plurality of ministries and other organisations, each with its own pre-occupations and concerns, which may conflict and unnecessarily complicate issues. Co-ordination among them is often imperfect. The situation is further complicated by the fact that the different parts of "the centre" usually have a variety of links to other levels of government. Objectively, it may be quite clear that the centre is too fragmented and too poorly organised to exercise effective control over complex multi-organisational public policy systems in the first place. Subjectively, the fear of loss of control bred by weakness at the centre can become a major obstacle to efforts to decentralise. This is mainly due to a

perception that once a change has been initiated it will be difficult to steer and virtually impossible to reverse except at great economic and political cost (Kimball 1999: 8).

Within this context, decentralisation is seen as:

- an important means of introducing a more responsive approach to the management of public services that will enable public managers to be more sensitive to the specific concerns of the users of services;
- a way of encouraging less defensive, risk-averse and responsibility-avoiding administrative behavior at lower levels. This usually assumes that responsibilities are more clearly defined and expectations about performances are better established;
- an appropriate framework of accountability to promote a more result-orientated style of management that empowers managers at all levels/spheres to exercise discretion in the light of diverse needs;
- a mechanism to cut through red tape and increase officials' knowledge of and sensitivity to regional and local problems; resulting in better penetration of national policies to remote communities, improved representation in the policy process as well as citizen participation, and enhanced administrative capability at lower levels, and
- being more effective in its implementation by simplified monitoring and evaluation leading to increased political stability and national unity (Rondinelli & Cheema 1983: 14-6).

Osborne (1993: 251) is of the opinion that centralisation results in over-regulation, and this is one of the prime arguments for decentralisation in many countries. In Western Europe in the 1990s, decentralisation is nearly always mentioned in conjunction with deregulation (e.g. for Belgium see Wuyts 1992; for Britain see Foster & Plowden 1996; for the Netherlands see Kickert 1993; for France see Claisse 1992). According to Osborne (1993: 253) there are four more practical advantages to decentralised institutions and policies:

- they are far more flexible and can respond quickly to changing circumstances and customers' needs;
- they are more effective than centralised institutions [...] they know what actually happens;
- they are far more innovative [...] innovation takes place where

ideas originate from employees, who actually do the work and deal with the customers; and

- decentralised institutions generate higher morale, more commitment and greater productivity [...] especially in organisations with knowledgeable workers (compare Box 1998: 20).

Rosenbaum (1998: 4) is of the opinion that the movement to decentralisation has been fuelled by disillusionment with the administrative and policy-implementing capacity of highly centralised systems of governance. Some of the benefits/advantages of decentralised government structures are the following:

- They serve to fragment and disperse political power. Although this often tends to be overlooked in an era of declining confidence in government, the reality is that government still remains potentially the single most powerful institution in any society. Not only does it set the rules that govern the economic sector, but it has the authority, capacity and power to legitimately take one's wealth, property, liberty and even one's life in some instances. In the face of this potentially awesome power, it is important to establish and maintain a system of checks and balances with regard to the exercise of governmental power. Decentralised governance systems provide such means.
- Centralised government serves to create additional civic space. By generating more centres of power, more venues are necessarily made available in which civil society organisations — interest groups, business associations, labour unions and the media, for example can develop and find support. This is important in terms of the promotion of democracy as a means of keeping government accountable for their actions (Dillinger 1993: 34).
- Numerous training grounds are created for the development of democratic skills and practices. In transitional countries, where a tradition of democratic participation does not exist, this is particularly important as it provides an arena where those who have not been a part of the traditional governing elite can begin to develop their own political skills and experience.
- Decentralised government provides for diversity in response to popular demand. Various regions of countries have different kinds

of resources, different kinds of needs and are home to different ethnic, regional or tribal groupings. A decentralised system of governance provides opportunities for a certain measure of uniformity across a country, but also for making required local adjustments in order to be more responsive to the needs and interests of local populations (Cohen & Peterson 1996: 56).

- Opportunities for local economic initiative are provided. Highly centralised systems of governance tend to concentrate both political and economic power in the capital city of the nation. This concentration often works against the interests of other cities and communities within a country. When power is highly centralised, communities some distance from the capital city often have difficulty in creating an environment to facilitate community and economic development. They typically lack the revenue to invest in the kind of infrastructure which is necessary for private economic development to take place. Decentralised resources and authority provide much better opportunities for meaningful and responsive economic development.
- Decentralised government is important in facilitating an active and lively civil society. The more decentralised the government and the stronger the local governance capacity, the more opportunities are provided for the emergence of civil society institutions. In this regard, local governments can play crucial facilitating roles in the development of vibrant civil societies. Local government policy and administrative practice can have a profound influence upon the capacity of civil society to emerge and play a role in governance. Likewise, the actions of local political leaders can either be supportive of or create major impediments to the development of civil society (Wunsch & Olowu 1995: 94).

2.2. The arguments in favour of (re)centralisation

Arguments against decentralisation also exist. Given some measure of independence and autonomy, people can behave very well or very poorly, very tolerantly or very intolerantly, very honourably or very dishonourably. One area in which officials at a level below national government can behave just as responsibly or irresponsibly as natio-

nal policy-makers is with regard to fiscal matters. The danger of irresponsibility is particularly great if lower levels/spheres of government are not responsible for raising their own revenue, but rather depend upon revenue being passed down from a higher level. This often creates a situation of fiscal irresponsibility. Individuals who do not have to account for the imposition of taxes or fees are likely to be less accountable in terms of how they expend the resources available to them (Oates 1972: 66).

Another potential danger of a decentralised system is that the various local units of government may be swayed by quite narrowly based but highly organised local elites. Local entities, even when well-intentioned and responsive, are likely to have a narrower perspective in terms of issues of general public policy and well-being than are larger units of government. Thus, efforts to implement national public policy can, either intentionally or unintentionally, be thwarted by the actions of regional or local governmental authorities. This is especially the case when the particular public policy is not clearly in the interest of the local or regional government concerned (compare Box 1998: 42).

Decentralisation can also be an excuse for national governments to evade responsibility for providing major services. Increasingly, national governments under financial pressure tend to devolve responsibilities to regional and local governments without providing the necessary resources. This relates directly to an issue which is fundamental to any decentralisation effort — the matching of responsibilities and resources. Due to the emergence of this problem, the area of fiscal decentralisation has been a focal point over the past few years. There is growing concern about the extent of fiscal decentralisation and authority. The question is whether local governments will be in a position to meet the service-rendering responsibilities that they are undertaking — either voluntarily or on the mandate of national government. In the absence of adequate fiscal autonomy or revenue decentralisation, sub-national governments will not be able to do so (Rosenbaum 1998: 10).

It is often claimed that one of the main disadvantages of decentralisation is that small communities are unable and unequipped to handle its inherently complex problems. This issue is sometimes

simply referred to as a matter of the superiority of central provision. Other arguments in this connection concern reduced legitimacy because of lower turnouts at local elections, negatively perceived alterations in local governments, reduced efficiency and increasingly politicised behaviour at local levels, as well as the danger that local governments will overspend if given the chance (De Vries 1997: 6). Furthermore, for bureaucrats at the national level, decentralisation is deemed to pre-empt their contacts with the policy field, which threatens their position. Their remaining contacts often occur in an *ad hoc* manner. Local officials often see decentralisation as nothing less than an excuse to cut back services, because national governments often cream off the money "saved" by the supposed efficiency of decentralisation (Kickert 1993: 93).

From the above it follows that uncertainty still exists about the influence of decentralisation or (re)centralisation on changing institutional arrangements. Thus, attention will now be paid to the vicissitudes of decentralisation in various countries in order to determine the lessons South Africa can learn from the rest of the world.

3. Decentralisation: the international practice

The general trend in Organisation of Economic Co-operation and Development (OECD) countries is to decentralise governmental activities in terms of policy implementation. In Anglo-American countries, particularly in Canada, New Zealand and Britain, the creation of agencies (both state and local government departments) has already progressed significantly. Australia and the USA have recently embarked on the same strategy. On the one hand, agencies are being set up to provide services; on the other, central departments are specialising in policy matters. Managers of the executive agencies have considerable operational autonomy, sometimes even in the field of staff management. However, as these agencies are part of a relatively young and inexperienced institutional relationship, their strategic autonomy is limited (OECD 1997: 98).

A second evolution has been the application of the principles of decentralisation used for the agencies to the central departments themselves (*e.g.* New Zealand, Britain). By means of result-based

budgeting or global allocations and some level of discretion in relation to human resources, the chief executives are able to some extent to select the mix of contributions they consider the most appropriate. On the other hand, in some countries (e.g. New Zealand) chief executives may be held responsible for meeting targets by means of performance agreements between them and their minister.

In Scandinavian countries (except for Norway) a somewhat different picture emerges. Most of these countries have a long tradition of subsidiary and (quasi-) autonomous agencies which implement the policy of the central ministries. In Sweden and in other Scandinavian countries, autonomy co-existed with a contribution-oriented system, where accountability mechanisms focused on compliance with rules (OECD 1996: 33). Recent reforms aim to turn these already autonomous but contribution-orientated organisations into result-orientated ones (OECD 1997: 103).

Continental countries such as Germany and Austria (underpinned by strong constitutions) have not moved away from the idea of classical bureaucracy at the central government level, with civil servants occupying positions and executing functions defined by law and by legal norms. Services are managed by those who make the policies on service provision (Flynn & Strehl 1996: 9). Hence, devolution and autonomy are not major tools for reform in the public sector.

The Netherlands, which can be considered as having a mixed regime (Flynn & Strehl 1996: 1), has started to create executive agencies, following the example of Britain. Along the same lines as the ministries with linked agencies, quasi-autonomous non-governmental organisations (quangos) play an important role in service-provision at the central level. Estimates have identified about 550 "independent administrative bodies" (OECD 1992: 200-1). Lately, agreements have been revised to be more result-orientated.

Among the Latin countries, France, with its tradition of a centralised civil service and system of administration, has embarked on an experiment concerning the creation of autonomous units (*centres de responsabilité*) inside central government departments. As a consequence of its judicial tradition the autonomy given to the local agents is somewhat limited (OECD 1997; Flynn & Strehl 1996: 112-3). The

OECD distinguishes several approaches to decentralisation (Helgason 1996: 77). Table 1 shows the predominant types of deferred autonomy and approaches in the various clusters of OECD countries.

The actual trends of decentralisation and (re)centralisation are continually changing. In the Netherlands, for instance, decentralisation is seen as one of the major political operations of the early 1990s; policies on social housing, welfare, social security and education are all decentralised, whereas powers and responsibilities had been concentrated at the national level in the 1950s and 1960s. Centralising tendencies are regarded as a means of realising equality before the law under equal circumstances and addressing the need to mobilise all forces at difficult times, as well as enhancing the development of science and technology (Van Poelje 1988: 66).

Similar trends have occurred in developed and developing countries. In the USA information and capacity were seen in the 1960s and 1970s as being far superior to those of smaller states and local governments (Osborne 1998: 66). In Britain the Thatcher government asserted that most services were more efficiently when centrally rendered because local government was incompetent and wasteful and some local authorities resisted improvements to efficiency (Plowden & Foster 1996: 137). In developing countries central planning and administration were considered necessary to guide and control the economy and to integrate and unify nations emerging from long periods of colonial rule (Rondinelli & Cheema 1983: 11). In the 1980s and 1990s an opposite tendency towards decentralisation emerged in developing countries in Asia, Africa and Latin America (Asmerom & Reis 1996: 102). This is also to be seen in Northern and Western Europe where centralisation within the European Union appears to go hand-in-hand with decentralisation at regional and local levels.

Table 1: Types of autonomy and approaches to decentralisation in the various clusters of OECD countries

Cluster of countries	Type of autonomy	Approach to decentralisation
Anglo-American countries	<ul style="list-style-type: none"> • extended operational autonomy • some strategic autonomy 	<ul style="list-style-type: none"> • creation of autonomic agencies on a large scale • incremental decentralisation of autonomy in financial and personnel management throughout the public sector (including government departments)
Scandinavian countries (excluding Norway)	<ul style="list-style-type: none"> • extended operational autonomy • <i>de facto</i> extended strategic autonomy 	<ul style="list-style-type: none"> • revision of management agreements with existing agencies • incremental decentralisation of autonomy in financial and personnel management throughout the public sector (including the government departments)
Latin countries (France)	<ul style="list-style-type: none"> • some operational autonomy • some strategic autonomy 	<ul style="list-style-type: none"> • gradual decentralisation of autonomy to specific government units or to experiments
Continental countries (excluding the Netherlands)	<ul style="list-style-type: none"> • minimal operational autonomy • no strategic autonomy 	<ul style="list-style-type: none"> • no policy of decentralisation

(Source: Bouckaert & Verhoest 1997: 6)

4. Lessons for South Africa in respect of decentralisation

The introduction of the concept of "co-operative governance" in the South African Constitution of 1996 explicitly indicated that the "old" form of governance, where everything was centralised, had to be decentralised. To assess whether decentralisation or (re)centralisation should be implemented in South Africa, it is important to look at the specific circumstances under which these phenomena occurred. South Africa operates under rigorous constraints, since resources are sorely stretched, social need is infinite and capacity severely constrained. The White Paper on the Transformation of the Public Service (WPTPS), published in 1995, proposed the creation of a number of new and additional structures to give impetus to the transformation process. To inquire into the structures and functions of the public service and its statutory bodies, a Presidential Review Commission (PRC) was proposed in 1996 with the brief of making recommendations aimed at achieving a public service fit to achieve the high standard of professional ethics, impartiality, effectiveness and transparency required. These recommendations, therefore, should transform the public service from an institution of regulation and control to one that is people-centred, efficient, coherent and transparent (PRC 1998: 1).

In February 1998 the Presidential Review Commission presented its report to President Mandela, with various recommendations. Since little progress had been made since 1995 in remedying the inequalities and inefficiencies of the past and since the cost and quality of public services left much to be desired, the role and functions of the public services would need to be reviewed. Furthermore, to ensure the efficiency and effectiveness of service-rendering, the commission recommended that organisational redesign to determine optimal staff complements should take place in each department. The commission was also of the opinion that the objectives of reform could not be realised without significant change at the apex and core of government. National departments and provincial administrations would not be able to achieve these objectives if they continued to execute their existing functions. It is clear that without assistance they had neither the capability nor the authority to improve the

functioning of government (PRC 1998: 2). In this regard it was reported in the *Sunday Times* (1999: 2) that the African National Congress was determined to reduce the powers of provincial governments and to ensure that most decisions taken by its premiers were approved by senior leaders. The move to tighten control of the administration of the provinces by means of the party structures coincides with a flurry of governmental reviews of provincial powers and the relationship between the national and provincial spheres. At a recent conference on provincial government and intergovernmental relations held in Midrand, Thabo Mbeki said:

Serious concerns have been raised about the state of provincial governance, underscored by the instances of financial crises and the failure of delivery institutions which we have experienced in the last five years. Whatever challenges will be faced by those new governments, we should at least have worked on proposals that address the elimination in provincial government of structural blockages, duplication and the consequent wastage of resources (*Sunday Times* 1999: 2 & 18).

This accords with the Presidential Review Commission's recommendation that the national government should not hesitate, in extreme circumstances, to resume functions delegated to certain provinces or their departments, where those provinces provide irrefutable evidence of inability to execute those functions (PRC 1998: 6). It can therefore be deduced that if the initial drive to decentralise functions does not produce satisfactory delivery of services, such services will be centralised. However, up to this point, no such action has been undertaken by government, although dissatisfaction with the quality of services is rife. It seems as if government will opt for mechanisms such as Alternative Service Delivery or Public-Private Partnerships in an attempt to eradicate the situation rather than recentralise the services currently being delivered by regional and local spheres of government. Various pieces of legislation demonstrate this: the Local Government Municipal Structures Act (Act 117 of 1998), the Local Government: Municipal Systems Bill (1999), and the Public Finance Management Act (Act 1 of 1999). Legislation also provides for capacity-building, particularly in the sphere of local government.

A further recommendation of the Presidential Review Commission was that the idea of the public service as a unitary entity, operating at both the national and the provincial levels, needed to be reinforced. Organisational restructuring should therefore take place in order to avoid both overlap and potential conflict (PRC 1998: 3).

Regarding the establishment of more effective inter-governmental relations, it was found that both national departments and the provinces were aware that weaknesses in structures and practices led to poor co-ordination within and between the various departments and spheres of government, creating an incapacity to implement national programmes and a consequent failure to deliver basic services. The commission also recommended an inquiry into the functions and needs of the three spheres of government, as well as the relations among them. It was also suggested that serious consideration be given to the asymmetrical devolution of functions (in other words the devolution of some functions to provinces and local authorities even where there is insufficient capacity to undertake all services, rather than delaying such devolution until overall capacity is available). This could to a certain extent redress the problems of capacity without violating the provisions of the 1996 Constitution (PRC 1998: 4). The commission felt that centralisation and decentralisation should not be viewed as mutually exclusive and that an intelligent system of government would, of necessity, include elements of both trends. Their investigation highlighted the fact that insufficient attention had been paid to the capacity of the provinces to assume their devolved powers, particularly in the light of the poor financial control in some of the former "homelands" administrations. It was recommended that more effective systems of monitoring and evaluation be designed, developed and implemented in place of the existing ineffective and cost-inefficient systems (PRC 1998: 7).

It can be deduced, therefore, that if a comprehensive decentralised system of governance is to be implemented in South Africa, the following guidelines for good, efficient governance will need to be followed:

- Effective decentralisation requires strong local government. Moreover, local governance capacity depends upon local revenue-raising capacity. If this is absent, local government will inevitably

remain in a dependent and vulnerable state and decentralisation will be meaningless. Unfortunately this is the situation in South Africa at present, but with the Demarcation Act, No 27 of 1998, whereby local authorities will be reduced from 843 to 362, the central government is attempting to make local authorities financially stronger and more sustainable.

- Strong local government also requires effective local law-making capacity, with regional and local governments being given a great deal of discretionary authority in terms of the passing of various kinds of laws, statutes and regulations. Fortunately, the new legislative framework makes provision for powers adequate to the exercising of discretionary authority.
- Meaningful decentralisation requires strong support from national government in the form of enabling legislation, providing local units of government with the capacity to act autonomously and independently to provide the necessary services, regulate local activities and raise the revenue required to fund local services. In this regard national and provincial government should focus on providing support and guidance for local authorities, rather than being prescriptive and coercive in nature.
- National government alone cannot ensure a meaningful, vibrant decentralisation of governance. Local demand and a concern for the development and maintenance of such a system has to exist (Rosenbaum 1998: 12). Vibrant local government requires an informed and involved community. Due to its closeness to the community, local government can become a powerful sector, able to achieve the objectives set out above.

Decentralisation, therefore, should be implemented with caution. The paradox is that the weaker an institutional structure, the more difficult it is to decentralise successfully. The process should therefore not be commenced until at least some of the prerequisites are in place.

5. Conclusion

International experience demonstrates that for decentralised government to succeed, a solid foundation for decentralised provincial and local governance needs to be in place, with a clear indication of their powers and of the means by which their functions and authority should be exercised. Unfortunately, as has been indicated, these roles and responsibilities are not always clear, and this can give rise to a situation defined by prescription and control rather than support and guidance among the various spheres of government. Furthermore, active community involvement has been shown to be necessary in order to bring about a vibrant decentralised system of governance.

It is essential therefore to consider how current South African attempts to promote better performance address one of the underlying paradoxes of public sector reform: the need to (re)centralise in order to decentralise. In other words, to design structures and systems that promote decentralisation while maintaining or even improving central control. Decentralisation is not the antithesis of (re)centralisation as no dichotomy between (re)centralised and decentralised forms of organisations is evident. Delegation and decentralisation do not simply imply the absence of central control or the removal of central institutions' accountability. The challenge is to invent and introduce new ways of balancing decentralisation and central control. New answers have to be found to the old questions about assuring accountability and maintaining the necessary central controls, and this necessitates a move towards a new paradigm in public administration and management in South Africa.

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Kroukamp/Decentralisation or recentralisation

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