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AN ANALYSIS OF THE MANAGEMENT FRAMEWORK FOR DEVELOPMENT IN THE SOUTH AFRICAN PUBLIC SECTOR

by

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DECLARATION

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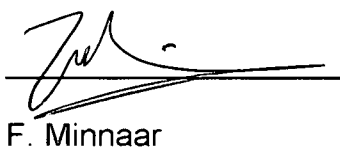

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AN ANALYSIS OF THE MANAGEMENT FRAMEWORK FOR DEVELOPMENT IN THE SOUTH AFRICAN PUBLIC SECTOR

CHAPTER 1

INTRODUCTION

> ***Without change nothing is possible.***
> ***Not to change is a sure sign of imminent extinction.***
> ***Remember the dinosaurs!***
> ***Whether change is inevitable or not, it is inevitable.***
>
> *John Harvey-Jones*
> *Business writer and chairman of ICI*

1.1 INTRODUCTION

"If development was measured not by Gross National Product, but a society's success in meeting the basic needs of its people, Vietnam would have been considered a Model," writes John Pilger, Australian journalist, writer and broadcaster (as quoted from McGlynn, 1996: 43). Viewed from a Westerner's perception of Vietnam as a communist, under-developed country, such a statement might be regarded as controversial, but it is nevertheless an appropriate introductionary comment to this study, as it takes cognizance of the underlying principle that will be presented, namely that *the impact of service delivery to improve the quality if life of ordinary South Africans* will be the ultimate test of whether development can be regarded as substantial and *sustainable.* South Africa does not have the inherent ability (at this stage of its development) to ensure basic acceptable living conditions to the majority of its citizenry. This not only refers to economic development (rand-and-sent), but a variety of development indicators. These include the socio-economic sphere of community life, the demographic reality of the South African community, and even the technological field of activity.

An evaluation regarding the state of development in the country can only be made if a well-structured process of analysis is undertaken. An appropriate approach would be to determine which circumstances in this country impact on the state of well being of all its inhabitants. Clearly South Africa, with its crime

epidemic, its enormous gap between rich and poor, and its declining infrastructure is in danger of sliding into obscurity and poverty.

It is an undeniable truth that the development shortfalls presently experienced in South Africa can partly be attributed to the historical reality of racial discrimination, with the accompanying intentional with-holding of development opportunities from the vast majority of citizens and gross neglect of the development of certain sections of the South African society. In order to correct this neglect, the present South African government has embarked on comprehensive and far-reaching re-structuring policies aimed at the development of (especially) traditionally disadvantaged groups. These programmes have left no aspect of South African community life untouched.

In light of the above-mentioned, it can be concluded that an undeniable reality of modern-day South African society is the presence of continuous and fundamental transformation. Far-reaching and fundamental changes are sweeping the country in virtually all spheres of community life. This can be regarded as a direct result of the political transformation process prior to, during and immediately after the April 1994 general elections. This process caused a rapid transformation of the decision-making structures, the ideological philosophy underlying the policy-making process(es) in the country, and eventually the objectives for the subsequent far-reaching transformation introduced in the country. Such policies and objectives partly resulted from actual events, based on historical circumstances in the country. However, a perception; which does not necessarily reflect the reality, but rather a specific subjective opinion of events, plays an equal important role in the formulation of transformation policies. For example, consider the impact that the following circumstances associated with the pre-1994 government, exercised on the nature of post-1994 policy-making in the country:

- An illegitimate government and political system
- The existence of a oligarchy state
- Exclusion of the majority of South Africans from the political decision-making process

- Blatant racial discrimination against blacks, coloureds, indians and women.
- Torture and murdering of opponents of the Government
- Unequal distribution of the country" wealth and resources
- Denial of career and social advancement opportunities to the majority of the countries" communities
- The enactment of discrimination into law
- The misuse and exploitation of the country's workers
- Ineffective and inefficient government and management practices
- A poor and discriminatory educational system

The new government concentrates on the above-mentioned factors which were perceived as illegitimate and discriminatory in nature as a basis for the identification of their aims for fundamental transformation in South Africa. The result of this process of policy identification was the Reconstruction and Development Programme and numerous transformation-orientated policy-documents, including White - and Green Papers, which focused on the transformation of just about all spheres of civic society.

However, the sad irony of the South African situation is that part of the previously advantaged group now feels themselves threatened, and is increasingly rejecting the transformation agenda of the new government as discriminatory. For most communities in the country, the post-1994 policy initiatives represented development. However, for the previously advantaged groups it means reversed discrimination. This is one of the most pressing problems for South Africa: The term "development" means different things to different interest groups, communities and individuals in the country.

Alvin Toffler(1980: ii), well-known futurist, claims: "We cannot cram the embryonic world of tomorrow into yesterday's conventional cubby-holes. Nor are the orthodox attitudes or moods appropriate." This quotation confirms a universal truth, namely (as quoted from McGlynn, 1996: 43): "Without change nothing is possible. Not to change is a sure sign of imminent extinction. Remember the dinosaurs! Whether change is comfortable or not, it is inevitable."

The aim of the study will be to analyse the state of development in South Africa by evaluating:

- The "development gap" existing in the South African environment; both internationally, as well as nationally. The term "development gap" refers to the "gap" between the existing situation and the desired situation that can be regarded as "developed."
- The policy-framework which must guide the management of development in South Africa. This includes an evaluation of policy-making structures and processes in the country.

The management structures, processes and systems used in the South African public sector to implement policy-directives aimed at sustainable development. This analysis would entail the systematic evaluation of the various processes whereby development goals are set and executed in an attempt to determine whether these will be adequate to direct the remainder of the management process towards the attainment of effective and efficient development. It further also entails the careful analysis of the way in which resources are allocated and utilised in an attempt to realize the development goals. In the final instance it entails an analysis of the impact of the management process (actual service-delivery for development) on the South African community.

A wide variety of civil and private organisations are involved in the implementation of development initiatives in South Africa; which might include anything from private sector (and profit-orientated) organisations, to parastatal institutions and purely public enterprises. This study will concentrate on the role of public sector development agencies in the management process aimed at the setting and realisation of development goals and objectives. These can be presented in a hierarchical logic:

- *Government* structures, such as legislative authorities and political executive authorities. These agencies are responsible to decide on development objectives, and on the allocation of resources in line with development priorities.

- *Operational development agencies*, referring to operational State Departments, Provincial Administrations, and [to a lesser extent] municipal departments. For the purposes of this study, a distinction will be made between the first-mentioned government agencies (to be called regulatory agencies), and the latter operational units (to be called service delivery agencies).

Service-delivery can rightfully be regarded as "development in motion." The way in which services and goods are delivered to the South African community, the results thereof and the *impact* thereof on the everyday lives of ordinary citizens, will ultimately determine whether the ideal of strategic sustainable development has been achieved or not. This includes direct *(functional line-)* service-delivery (such as policing with a view of combating crime), as well as indirect *(structural supporting [staff])* service-delivery (such as the effective management of the Treasury function, which will promote and enhance the ability of line agencies to practice sound and economical financial management, and thus expanding the resource-base available for development). For the purposes of this study, the word *initiatives*, although potentially confusing, will be use to refer to those programmes, projects and other policies resulting in service-delivery to the South African community, aimed at promoting development in the country.

However, for service delivery to be linked to development it must contain an element of *sustainability.* Sustainability implies continuous improvement over a medium to long-term period.

If South Africa wants to achieve meaningful and substantial development, the country must take cognizance of the limitations within which it must execute development-orientated objectives. These limitations are structural, as well as functional. On the structural side, mention can be made of public development agencies that are (in general) not yet streamlined and efficient enough to realize development-centred service-delivery to meet the expectations of the South African community in this regard. As far as the functional limitations are concerned, mention can be made of resources, such as human, technical, fiscal and information resources, which are scarce, and must be carefully allocated,

utilized and controlled to achieve development aims. The question that will be asked in this study, is whether the systems and processes in place in South African service delivery agencies for the allocation, utilization and control of these resources are adequate to ensure optimal efficiency, effectiveness and economy of the management process, and thus promote the success of service delivery efforts.

No strategic analysis will be complete unless careful cognizance is taken of the *environment* determining the nature and scope of the management process aimed at achieving sustainable and meaningful development in South Africa. These environmental factors prescribed the nature and scope of the objectives set for development, as well as the boundaries and limitations within which a structured management process must be instituted to ensure the realization of these objectives. In this regard objectives, either normative or practical in nature, will determine the resources required and available for the management of development initiatives. The South African environmental realities provide invisible boundaries within which the management process, aimed at achieving sustainable development, must take place.

If the opinion stated earlier is accepted, and it is stated that the South African environment cannot be regarded as developed, a structured process of analysis will still be required to provide answers to the following key questions:

- What scientific evidence exists to support (or contravene) the perception of South Africa as an under-developed (or so-called developing) State? And if proven accurate,
- what measures for management intervention will be required to meet the demands of sustainable development in South Africa?

Scientifically based answers to the above-mentioned key questions can only be provided by analyzing --

- the primary development objectives, which direct and focus development initiatives in South Africa;
- the governmental dynamics whereby development policies are formulated;

- the management structures, processes and systems used to implement these objectives; and
- the outcomes (results) of these efforts to determine whether objectives have been met effectively, efficiently and economically.

1.2 STATEMENT OF THE PROBLEM

Dr. Nelson Mandela, South Africa's first post-apartheid President, at the opportunity of his inaugural address on May 10, 1994, (1994: 1) made the following statement: "Our daily deeds as ordinary South Africans must produce an actual South African reality that will reinforce humanity's belief in justice, strengthen its confidence in the nobility of the human soul and sustain all our hopes for a glorious life for all... We have, at last, achieved our political emancipation. We pledge ourselves to liberate all our people from the continuing bondage of poverty, deprivation, suffering, gender and other discrimination."

In response to the lofty ideals set by the first post-1994 Government, a wide variety of policy responses to the development challenge in the country were formulated. These included the senior partner in the Government's (the ANC) Reconstruction and Development Programme being put into practical policy. This policy document entails the objectives of meeting the basic needs of the South African community, developing the country's human resources, building the economy, and democratizing the state and society (RDP, 1994: 7). A wide variety of development proposals contained in Green and White Papers, intended to initiate development in the country, were also formulated since 1994. Most of these were eventually applied and transferred into legislation.

In contrast to the ideals set by the first popularly elected President at the dawn of the New South Africa, and those contained in the various policy documents mentioned, the following realities, quoted as examples only, demonstrate something of the present realities in the country:

- "South Africans ... are ... more pessimistic in their assessment of their political institutions ... "This illustrates that during South Africa"s first five

years of democracy, its democratic culture failed to move to that higher plane that could help to consolidate its new democratic regime ..." (Bob Mattes, manager of Idasa"s public opinion survey, quoted by Ensor: 2000: 7).

- Wide spread inequality is still a characteristic of South Africa's social set-up; although some progress has been made in eradicating this phenomenon, as is clear from the following:
  - The African share of national income has increase from 29,9% in 1991 to 35,7% in 1996. The proportion of black households in the richest 10% of the population has increase from 9% in 1991 to 22% in 1996.
  - The number of blacks in skilled jobs increased by 80% from 1991 to 1996. The White share of national income has decreased from 59,5% in 1991 to 51,9% in 1996 (Business Day, 2000: 2).
  - The poorest 40% of black households have experienced a fall of 20% or more in income from 1991 to 1996. The total number of blacks employed fell by 2% from 1991 to 1996. More than 90% of the increase in the income of blacks stemmed from economic growth, sluggish as it has been – with less than 10% attributed to redistribution away from whites (Business Day, 2000: 2).

The above-mentioned have been quoted to illustrate the apparent progress with, and/or shortcomings in the realization of goals set for development in South Africa. Circumstances and conditions in the country, and the influence of government policies and priorities will enjoy thorough and comprehensive attention in Chapters 3 – 4 of this study. However, the point to be made here is that the African National Congress-led government has commenced it's term of government with the promise of providing a better life for all in the country (that is to *develop* the country). Although some noticeable successes have been achieved; it can be stated that, after six year of democracy, serious flaws in the realization of the promised development still persist.

It is the obligation of the Government to ensure that appropriate policies are in place to facilitate sustainable development, and to manage the execution and implementation of these policies in such a manner that this ideal can actually be

realized. From the above-mentioned it can be concluded that the main issue that will be analyzed in this study, is the question of whether the management structures and practices in South Africa's public sector are adequate to ensure effective realization of the ideal for sustainable development.

1.3 PURPOSE AND SIGNIFICANCE OF THE STUDY

The theme of this study is to analyse the South African response to the challenge of sustainable development in order to determine the ability (capacity) of public sector service delivery institutions and agencies in the country to facilitate sustainable development.

The preamble to the Constitution of the Republic of South Africa, 1996 (Act 108/1996) set as ideal –

- "... a society based on democratic values, social justice and fundamental human rights ... (and)
- "(improvement in) the quality of life of all citizens and (to) free the potential of each person ..."

As the highest law in the country, Government must be committed to ensure that measures are in place that will promote the ideals contained in the preamble of the Constitution. President Thabo Mbeki, at the opportunity of the State of the Nation Address to the National Assembly on 4 February 2000 (www.gov.za/speeches) stated clearly that "(t)he elimination of poverty remains one of the central objectives of the government and the country..."

In order to realise the above-mentioned ideals, it is necessary to execute a two-phase process; namely:

- Government must set development policies, and
- operational government agencies must execute these policies.

Government set development objectives through the process of public policy-making (Hanekom and Thornhill, 1979: 23). This intervention can be regarded as the *governing function* (Moshabesha, 2000: 94). Although a wide variety of role-players are involved in modern-day governance, including leading public

servants, this is in essence a function that takes place on a *political* level. These policies will be regarded as the objectives for development in South Africa, and discussed as such.

Such policies must then be implemented and executed by *operational service delivery institutions*. For the purposes of this study, these institutions will be referred to as *public service delivery agencies;* responsible to deliver services to the community. These institutions must *manage* the resources, processes and structures to their disposal in such a way that the government's development objectives (policies) are realized effectively, efficiently and economically. The only way, in which this can be achieved, is to ensure that service delivery too will improve the living conditions of individuals and communities in the country. Such impact must represent a *tangible and measurable* ***improvement.*** This raises the main concern with which this study will involve itself, namely to analyse whether present and proposed future (transformed) management practices and processes in public service delivery agencies in South Africa will enable the realization of the stated objectives, and thus result in sustainable and meaningful development.

1.4 THEMATIC CONCEPTUALIZATION

The main theme of this study will be to analyse the management framework whereby South African service delivery agencies are operationalised into dynamic service delivery agencies, capable of bringing about long-term, sustainable development. The finer details providing the focus areas of this theme will subsequently be identified in an attempt to precede the identification of the main aims of the study with an overview of the main thematic components of / for the study.

The term "analysis" can be defined as (die) "(s)keiding in dele om die samehang the kan begryp ..."[1](Verklarende Handwoordeboek van die Afrikaanse Taal, 1988: 47). This perspective is supported by the definition of the term provided by

[1] Separation into parts to understand the context.

the CD-rom version of Webster's World Encyclopedia (1999: Main Dictionary), where the explanation reads as follows: "**a.** a detailed examination of the elements ... of a substance etc. **b.** a statement of the results thereof." From a strategic management perspective, Stoner and Wankel (1986: 7) make the following interesting remark regarding managers as analytical thinkers: "To be an analytical thinker, a manager must be able to break a problem down into its components, analyse those components, and then come up with a feasible solution."

The term "management framework for development" implies that the study will concentrate on specific realities in a contemporary South African management environment that may exercise a potential influence on the nature and scope of the management process. The approach that will be followed to identify and analyse these realities can be presented as follows:

- Division of the management framework for the realization of development goals in the South African public sector into logical components in a structured, purposeful manner. The analysis in this study will be done broadly in accordance with the structural processes to be found in the components of a *strategic analysis* model. In this regard the study will strive to realize the following aims (Broadly adopted from Thompson, 1993: 33):
  - Analysis of the environmental factors impacting upon the ability of public sector development agencies to render services to the community in such a way that the ideal of sustainable development is achieved.
  - Analysis of the resource base of public sector development agencies in an attempt to determine whether the way in which these scarce resources are allocated, used and control is adequate to achieve sustainable development.
  - Analysis of the goals which provides direction to development efforts in the South African public sector (mostly expressed in Government policies) to determine whether these are "SMART" (specific, measurable, attainable, realistic and time-specific), adequate and appropriate to achieve the ideal of sustainable development.

- Analysis of the corporate ability of public sector service delivery institutions to act as development agencies. This analysis will include an analysis of the appropriateness of their structures, systems, and service delivery strategies.

- To identify "best solutions" in response to the findings and conclusions derived from the continuous analysis contained in the study. These "solutions" must be scientifically based and be formulated in response to the careful analysis done in the scope of the study.
- To convey a perspective which emphasize the need for the transformation of traditionally rigid public sector institutions into dynamic development agents. With the term "dynamic" reference is made to the need for public sector agencies to be organic organisms, capable of rapid and responsive internal changes in such a manner that they are able to meet the challenges set by changing requirements in their environment. In this regard specific reference must be made to changes in the needs of clients of these agencies, namely the South African community.

Other, secondary considerations to keep in mind with the formulation of the aims of / for the study will be to:

- Evaluate the link between the all-inclusive transformation process in South Africa and the need for continuous renewal and improvement in a relatively poor and under-developed country.
- Establish consensus on the intimate and unavoidable link between the ability of the South African public sector to facilitate sustainable development and the need for the country to function as part of a "global village."
- To establish a new perspective on the way in which public managers and scholars of public administration/management viewed the role and responsibilities of public sector institutions, with specific reference to their development roles. In this regard continuous reference will be made to *public sector development* ***agencies***, in contrast to the traditional approach in the South African public sector management sciences to refer to these entities as "public **institutions**." The term "agency" capture the approach to be

presented in this study, namely that of units responsible for service delivery to the community *on behalf of the Government* – the latter being the duly elected representatives of the community. These units enter into performance contracts with the Government (with the latter acting on behalf of the voters) and can thus be regarded as "agents" of the community. The perspective that will be conveyed is that of organisations in service of the South African community, charged with the responsibility of continuously (in an sustainable manner) improving the lot of ordinary South Africans.

The terms "development programmes" and/or "development initiatives," will continuously be used in this study, and must be understood as an attempt to conceptualize the idea of "service-delivery-in-motion." As a management concept, Baird et al. (1990: 114) define the term "programme" as a "plan that outline a variety of interdependent activities that must be coordinated to achieve a goal." Griffin's (1999: 215) definition reads as follows: "A single-use plan for a large set of activities." The American-based Government Centre for Information Systems (CCTA) define the term as "the co-ordinated management of a portfolio of projects to achieve a set of business objectives" (CCTA, 2001: www.e-programme.com/article/proj_def.htm). Programmes can be distinguished from projects in as far as a programme can actually comprise of a number of projects. The approach adopted by the former RDP National Programme Management Team actually explains this concept very informatively:

"Many RDP projects actually comprise a number of significant sub-projects qualifying them to be called *programmes* rather than *projects*" (RDP Projects: Guidelines for Business Planning and Reporting, 1996: 1).

The term "programme[s]" has been chosen for the purposes of this study as it encompasses both long – as well as short-term service delivery initiatives. It also makes provision for single – as well as multi-facetted strategies. However, the term "initiative" will be used continuously to refer to specific service delivery activities aimed at development. It was, however, decided to exclude this term from the topic of this study in favor of the term "programmes" in view of the latter's greater academic recognition as an management concept.

In conclusion it can be stated that the approach followed in this study was echoed in the words of the Minister of Public Service and Administration during her budget vote for the 2000/2001 financial year in the National Assembly (Fraser-Moleketi, 2000: 1): "South Africa has declared war on poverty and under-development. Unless underpinned by a public service that is effective, developmental and efficient, our country cannot rise to the occasion of defeating poverty."

1.5 AIMS OF THE STUDY

The main purpose with the identification of the aims for the study is to identify Key performance Indicators (KPI). These aims will eventually provide a structure to facilitate the purposeful unfolding of the study, and will also provide indicators to eventually determine the success or failure of the thematic objectives of the study at the conclusion thereof. Within this broad context, the following aims can be identified for the study:

- To analyse (determine) the need for development in South Africa. This aim can primarily be satisfied by analyzing the state of the South African environment with a view of determining the requirements (determinants) imposed by this environment on the need for development.
- To analyse the policy-framework which provide direction to the management of development programmes. Such an analysis will entail an investigation into both the structure, as well as the process for policy-making.
- To analyse the resource-base available to enable development by public sector development agencies in order to optimize service delivery. Such an analysis would include an evaluation of the way in which South African public service agencies manage these resources and the processes of service delivery.

The above-mentioned aims for the study can only be properly utilized as KPI"s if it adequately quantified. An attempt to do exactly this will be done by benchmarking the development process. Such an analysis will be contained in

Chapter 2; which must then be read in conjunction with Chapter 12; where an integrated evaluation will be done. This integrated analysis will link the benchmarking contained in Chapter 2 with the process of analysis contained in Chapters 3 – 11 and ultimately linked it to the above-mentioned aims of the study.

1.6 LIMITATIONS OF THE STUDY

From a careful analysis of the theme, the following limitations applicable to the successful realization of scientific aims of the study have been identified:

- A lack of appropriate, tested (proven) standards or norms for analysis, given the contextual requirements of the study. The term "analysis" implies the presence of an objective or impartial norm against which the present situation or reality can be measured (compared with). This requirement reflects one of the major limitations of the study; namely the absence of a truly impartial and objective norm to be regarded as trustworthy to be utilized for analytical purposes. South Africa finds itself in the middle of a period of fundamental and far-reaching transformation. Public sector management practices, systems and processes form an integral part of the changes introduced for the sake of achieving this transformation. The principles on which most of these changes are based were mostly derived from foreign experiences, and are not always ideally suited for South Africa's unique circumstances. To be truthful, it is not even always based on successful experiences of foreign countries. Take for instance the policy of primary health care introduced in South Africa. This policy is broadly based on the system that was in place in Great Britain. However, that country has since gradually terminated this policy because of the numerous problems they experienced with it.
- A second limitation that could be identified in terms of successfully achieving the aims of the study is the normative nature of sustainable development in comparison with the need to present it as a practical, tangible and

measurable manageable phenomenon. This point goes to the heart of the sustainability of development in the long term.

The term "sustainable development" is often normative in nature, and thus difficult to quantify. In some instances it is easily measurable.

Maryna Swarts (editor of the Human Sciences Research Council [HSRC's] publication "In Focus Forum,"1998: 3) respond as follows to this issue: "It seems whatever reconstruction and development South Africa undertakes, needs to be within the realities of sustainability, and therefore with the big picture, in mind." With "the big picture" she refers to the requirement to keep in mind all factors and realities influencing the ability of government and other role players to facilitate development through effective service delivery. If service delivery is primarily governed by market principles, it stands to reason that services have to be demand-driven, and beneficiaries" needs to pay. However, in a poor country, the population will seldom be in a position to pay for development. They will therefore expect of the government to institute measures which will improve their economic conditions and enable them, over the long-term, improve their circumstances. In the end sustainable development boils down to the question of who is footing the bill (Swarts, 1998:3).

- A questionable ability (or desire) on the part of the South African public sector to distinguish between change for the sake of improvement leading to meaningful development, and change for the sake of getting rid of everything, and often everyone associated with the former minority regime.
- Another limitation to the realizations of the aims of the study is uncontrollable, and unforeseeable dynamic changes in the management environment of public sector development agencies, and their inability to react responsively to these changes. This is a direct result of the rigid (*read*: non-dynamic) nature of South African service delivery institutions. South African public sector institutions are mechanistic organisations, with their organisational structures characterised by rules, procedures, a clear hierarchy of authority, and centralised decision-making (Baird et al, 1990: 227). The reality is that

internal processes, and more often than not – internal "kingdoms" built by the officialdom around the hierarchical power-based nature of public service bureaucracies often weigh much heavier than the quest for effective service delivery. Very little, if any, characteristics of an organic organization, capable of adapting rapidly and responsively to changing environmental needs (Baird et al, 1990: 227) exist.

- A final limitation to be identified in terms of the realization of the aims of the study is the persistent bureaucratic nature of South African service delivery institutions. Bureaucracy is an outdated organizational model, designed to suit the circumstances and requirements of a specific period in time which has long past. However, public sector service delivery institutions have cling desperately to the rigid power-relations associated with this kind of organization. In the process they have diminished the ability of these organizations to be dynamic and respond responsively to environmental changes and subsequent changes in service delivery requirements. Management processes have been adapted in an attempt to promote performance-based management systems, but the structures and frameworks within which these must operate have remained rigid.

1.7 METHODOLOGY

The way in which the research for this study was conducted was aimed at gathering relevant information to enable continuous and in-depth analysis. In order to achieve this, a wide variety of research-methodology were utilised, including:

- Certain concepts and principles have "a proven track-record" and can be regarded as sound concepts and principles for application. If these concepts and principles are present, it will be accepted that an adequate state of development exists with regard to the specific topic under evaluation. This goes (especially) for internationally acceptable management concepts and principles. It will (for instance) be taken as a norm that sound financial

planning and prioritising must precede the allocation of resources for budgeting purposes in the South African public sector.

Information in this regard has been obtained from a literature study from the field of management and related sciences.

- Experiences of other countries, or successes achieved in specific fields in the South African management sciences are useful sources of information. This kind of information has been obtained from a variety of sources, including empirical research, personal observation, and literature studies. These sources were especially important with the identification of the existing situation in South Africa; where intensive use were made of newspapers, popular, as well as scientific magazines and statistical year-books. Another important source of information in this regard was a variety of policy and discussion documents; both internal, as well as external to South African public sector agencies.
- The eventual analysis (the ultimate deviation from the desired outcome, which represents a state of development) has mostly been based on the author's own experiences, logical conclusions and (often subjective) perceptions. Fruitful use has been made of the opinion and perspective of knowledgeable analysts and high-profile community leaders, obtained from numerous sources, including television – and radio interviews, newspaper and scientific magazine articles and the Internet.

In conclusion it can be stated that the research for this study was concluded from a wide variety of sources, as is clear from the above-mentioned exposition. However, an honest attempt was made to ensure a practical insight and application that will facilitate the generation of a model that can be utilised for practical application. In this regard, the research for the study was predominantly empirical in nature. Comprehensive use was made of contemporary official and unofficial documents aimed at directing or intervening in the management processes of public sector institutions. Newspaper - and magazine articles, as well as information obtained from the Internet were primary and vital sources of

data to ensure a contemporary and practical insight into the topic under investigation.

However, the flip side of the coin was to maintain a sound academic foundation at the same time. For this purpose, a comprehensive literature study was made to determine contemporary, innovative management interventions that were mainly aimed at ensuring a relevant basis for analysis.

1.7.1 Overview over the process to be followed for analytical purposes

It is important to bench-mark the process of development management in South Africa order to ensure a proper analysis of the status thereof in the South African public sector. This includes an analysis of the meaning, scope and extent of development as a theoretical and practical concept, as well as an investigation into the prerequisites for meaningful development (factors and/for circumstances present for a country or community to be regarded as "developed"):

- The goals and objectives set for the advancement of all the citizens of the country.
- Those factors emanating from the environment in which the citizens of a country must work and live.
- The public sector environment manifests itself on different levels of intensity (which determine its impact on the need for development, and thus on the management intervention required to ensure the pro-active manipulation of the process of development):
- The environmental influences that can be regarded as strategic and must be accounted for on the long-term in the management of development initiatives consists of the global realities impacting on South Africa in it"s position as part of the international community; as well as the dominant normative and moral fiber of the country.
- The impact of environmental factors such as the political, cultural, technological and economical circumstances is more tactical in nature, and the influence of these factors more direct (and medium to short term) on the

process of the management of development initiatives. It reflects the every-day living and working realities of the average South African who are the focus point of the development process.

- Government has two broad functions to perform; namely to ensure the safety and security of all citizens, and to promote the general well being of all. In order to achieve this, and develop all communities in the country; they (Government) set the primary objectives for development by enacting development policies. This process is in essence Constitutional / political in nature – the governing function.
- The executive branches of government are responsible for the execution of these goals and objectives for development. The framework within which this take place is managerial in nature, and basically deals with the allocation, distribution, utilization of, and control over public resources.

In order to reflect this approach in this study, the following key areas have been identified for analysis and investigation purposes:

- Benchmark the process of development: What exactly is meant by the term "development," and what will be the distinctive characteristics of a "developed" state of affairs?
- Identification of opportunities for and threats to development in South Africa: This aspects are related to the following questions:
  - What are the long-term, strategic environmental factors (global realities and moral foundation of the South African community) which will determine the nature of development demands put on Government; and
  - What will be the tactical, short-term environmental factors be that would determine the nature and scope of more immediate demands on the management capacity of the South African public sector?
- Analyse the goals and objectives for development in South Africa: Determine the policy framework which guide the management processes of the development process. This would include an analysis of the decision – and policy-making processes and structures in the South African public sector,

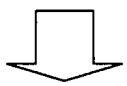
and is in essence an investigation to the governing structures and processes in the country.

- Determine the internal strengths and weaknesses of the South African public sector that will either enable or prevent the realization of goals and objectives aimed at sustainable development. This would include an analysis of the institutional structures, - resources, - systems and management process in place in the South African public sector service delivery agencies for development management purposes.

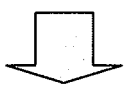
Graphically the process that will be followed with the analysis presented in this study can be presented as follows:

STRATEGIC MODEL

Analyse the state of development in South Africa
(Analysis of the South African service delivery environment)



Analyze the way in which goals and objectives to direct the management process aimed at development in the South African public sector.
(Analysis of developmental policy-making structures and processes in South Africa).



Analyze the way in which resources available for service delivery in the South African public sector are being managed to ensure optimal development

1.7.2 Chapter exposition

The analysis contained in this study will be aimed at determining the state of development in the South African public sector – with its natural conclusion an examination of the state of development in the South African society. The theory behind this approach is that the effective management of development initiatives

by public sector service delivery agencies will ultimately results in an improvement in the living conditions of all and ordinary South Africans. The scientific process that will be followed to achieve this aim has already been exposed. The way in which this process will be presented in a literature format for the purposes of this study can be best explained by providing a structured exposition of the way in which the chapter allocation will be done. This can be presented as follows:

CHAPTER	THEME	OBJECTIVES FOR ANALYSIS
INTRODUCTION, APPROACH AND CONCEPTUALISATION OF KEY TERMINOLOGY		
1	Introduction and clarification of approach	◦ Aims of the study. ◦ Need for the study. ◦ Limitations of the study. ◦ Perspective on the approach to be followed.
2	Bench-marking of the development process	◦ "Bench-marking" the state of development management by determining objective standards and norms against which the state of affairs in the South African public sector can be measured. This will include providing an overview of the -- ◦ Scope and content of the term "development management". ◦ Identification of key characteristics of a "developed" state of affairs.
IDENTIFY OPPORTUNITIES FOR DEVELOPMENT, AND THREATS TO SUSTAINABLE DEVELOPMENT		
3	Environmental analysis: Global Environmental Realities impact on sustainable development	◦ An open-system approach to environmental scanning. ◦ Global factors impacting on the need for development. ◦ The changing moral fiber of the South African society.
4	Environmental assessment (2):	◦ Political,

	Exposing the factors internal to South Africa that necessitate / impacting on development.	◦ Cultural, ◦ Technological, ◦ Physical, ◦ Economical environmental factors impacting upon the quest for sustainable development.
GOALS AND OBJECTIVES FOR SUSTAINABLE DEVELOPMENT: POLICY-MAKING STRUCTURES, PROCESSES AND SYSTEMS IN THE SOUTH AFRICAN PUBLIC SECTOR		
5	Constitutional– and Governing Structures in South Africa	◦ Constitutional directives regarding policy-making structures and processes in South Africa. ◦ Division and distribution of State Power. ◦ Constitutionally established developmental role of the State.
6	Policy and decision-making structures and processes in the South African public service ◦ Analysis of the South African policy framework for development	◦ Exposition of policy and decision-making structures and - processes in South Africa. ◦ Analysis of participative democracy as a prerequisite for sustainable development ◦ Analysis of existing policy directives to evaluate the adequacy of the policy-framework for development
7	Analysis of organizational structures and information systems utilized in the management of development programmes by South African service delivery agencies.	◦ Principles, theory and practice of organizing and organizational structures in the South African public sector. ◦ Strategies for organizational renewal. ◦ Effective information management as a prerequisite for goal-achieving development management.
MANAGEMENT OF SERVICE DELIVERY IN THE SOUTH AFRICAN PUBLIC SECTOR		
8	The management of resources in the South African public sector: • Financial Management • Procurement, stock and – asset management	• The management of resources as a key enabler for service delivery • Analysis of the status of financial management in the South African public sector ◦ Purchasing, - stock and asset management in

	(Internal strengths and weaknesses: Resource analysis)	the South African public sector.
9	Human Resources Management Transformation in the South African public sector	◦ The transformation of Human Resource Management to streamline it for development management. ◦ An analysis of human resource management systems and practices in the South African public sector.
10	The formal structure for service delivery by the South African public sector (Service delivery: Strategic Action, Measurement and Monitoring)	◦ Sustainable development through service delivery ◦ The status of Performance Management in the South African public sector, and the contribution thereof towards optimal service delivery ◦ Analysis of tangible service delivery to the South African communities.
11	Strategic Control and Accountability in the South African public sector	◦ Strategic Control ◦ Risk Assessment ◦ The quality concept in public service delivery ◦ Auditing and Accountability in the South African public sector and its contribution towards sustainable development
	CONCLUSION	
12	Conclusion and recommendations	• Summary, conclusion and final analysis

1.8 CONCLUSION

This study will be about development in South Africa. How far has South Africa progressed with development? This question can only be answered by looking at the improvement in the living conditions of the average South African citizen. Development is all about effective service-delivery; service-delivery that really improve the lives of all citizens. Effective service-delivery means service-delivery

that is cost-effective and makes optimal use of scarce resources but, at the same time achieve maximum results.

It is the primary responsibility of the South African government to effectively manage the process of development in South Africa. The various public development agencies involved in this process of development management are political regulatory,- as well as administrative operational development agencies.

The term "effective management" of development initiatives refers to the necessity to ensure that proper and appropriate management structures and processes are in place to facilitate impact-optimal service-delivery. These structures, processes and systems must ensure that proper goals and objectives are set to direct development initiatives. Secondly the term "management" implies that appropriate arrangements must be made to ensure optimal utilisation of scarce resources by South African development agencies.

Development is a futuristic phenomenon. The essence of development management is to set goals that will present a future state of improvement that must be realised by effective service-delivery. The way in which this effective service-delivery is achieved, is by providing an effective management framework which entails proper prioritisation and effective cost conscience resource management If this process are successful, the conditions of South Africans will improve, and development can then be regarded as achieved successfully.

In light of the exposition and study objectives provided in this first Chapter of the study, the natural starting-point for analysis will be to set performance standards that can enable progress-measurement during the scope of the development management process; that is, to bench-mark the process.

CHAPTER 2

BENCH-MARKING THE MANAGEMENT OF DEVELOPMENT IN SOUTH AFRICA

> ***The future never just happened.***
> ***It was created***
>
> *Will and Ariel Durant.*
> *US historians*

2.1 INTRODUCTION

As continuously mentioned in the previous chapter, the term "development" is normative in nature, and not that easy to quantify. However, if the term is supposed to provide the main focus for this study, which it does, it is important to give quantifiable meaning and context to it.

The question is *which* yardstick can be regarded as a more or less objective standard to measure the attainment or failure of development against. The general tendency is to regard economic wealth as the main pre-condition to measure the state of a nation or community's state of development. This is, however, an over-simplification of a complex phenomenon.

The purpose of this Chapter will be to attempt to bench-mark the concept of development as a manageable phenomenon in an attempt to quantify it with a view of enabling an comparative analysis. With bench-marking, reference is made to a structured attempt to analyse literature, experiences and any other relevant sources in an attempt to identify those aspects that are common to a status in the natural "life" of a nation or community that is generally accepted as "developed."

However, before this can be achieved, it is necessary to analyze the *meaning* of the term "develop" or "development," as it will be used in this study – that is, to give content to the term for the purposes of this study. In this regard focus will be on the *conceptual* and *contextual* meanings of the term respectively. With

conceptual meaning, reference is made to an appropriate understanding of the concept as a contemporary manageable phenomenon. Contextual meaning refer to the need to see the concept within its broader context, namely an analysis of all the *contextual realities* impacting on the entity that is the focus of / for development – in this instance the country South Africa.

When this (the above-mentioned) process has been finalized, the next step in bench-marking development as a practical, manageable phenomenon will be to identify the "operational" part of the phenomenon – how does development find *practical effect*? Within the broader context of this study, the answer to that question is simple – through *service delivery* that has an impact on the community of a country, and hold the key to the realization of failure of achieving development. This is also the element of development-in-motion that transforms "development" into a manageable phenomenon. However, it still does not set a clear and objective standard that could serve as a bench-mark to determine whether or not development realized or not.

The next step will be to identify certain *key performance areas* for development. The intention is to imply that, if conditions in South Africa (or any other country for that matter) comply with these conditions an adequate and sound managerial infrastructure exist for the successful management of tangible and sustainable development. However, it is once again important to caution that even these key performance indicators are inherently subjective, and that the extent to which a specific state, nation or entity comply with the requirement (KPI) is just as important as the mere recognition thereof.

Identifying a number of selective practical and tangible circumstances that represents development will conclude the chapter. The implication is that, if a country, society or community comply in full with these selective features, it can be regarded as 90 percent developed. These will thus represents the ultimate norms or standards against which the success or failure of the development process can be measured, and which will ultimately give an indication of whether or not development has materialized.

2.2 BENCH-MARKING IN THEORY AND PRACTICE

Bench-marking is the process of identifying, understanding and adapting outstanding practices from within the same organisation or from other businesses to help improve performance (Cook, 1995: 13). The main benefits of making use of Bench-marking are the following (adapted from Cook (1995: 15) to serve the purposes of this study):

- *Its sets performance standards.* It is of vital importance to identify the standards and/or situation that represent a state of development. Without this process, it will be impossible to determine whether or not tangible and sustainable what has been achieved.
- *It helps accelerate and manage change.* Development, in essence, implies change. To Bench-mark the process of development provide clear objectives and "road-signs" to direct the management process aimed at sustainable change.
- *It improves processes.* The bench-marking of the process of development enables the development of an appropriate process for analysis to be followed in the remainder of the study. The bench-marking process results in the identification of key performance areas which give a clear perspective of "what are excepted," and thus enable a process to determine whether or not these have actually being achieved or not.
- *It enables a holistic perspective.* The process of bench-marking ensures that all relevant factors and influences that might potentially impact on the success or failure of the management process aimed at development are properly accounted for. These includes international experiences, contemporary initiatives in the field of development management and national,- as well as organisational realities within South African public service delivery agencies.
- *It generates an understanding of world-class performance.* This aspect actually summarises the above-mentioned: Bench-marking enables the analyst to determine whether or not tangible and sustainable development has actually been achieved.

2.3 THE DETERMINATION OF THE BASIS FOR ANALYSIS: INVESTIGATION INTO THE CONCEPT OF DEVELOPMENT

In the modern idiom, the process of management can only be realised if clear goals and objectives (aims) are identified. The purpose has to clearly identify *what* is to be achieved by the management process. As already stated, the purpose of this study is to determine the state of development in South Africa, and specifically the contribution of the public sector. It can therefore be concluded that *development* provides the impetus for the identification of the goals and objectives for the management process that has to be analysed in this study.

The concept of development is a complex one. It is therefore important to thoroughly investigate and analyse the meaning, scope and understanding of the concept, as such an analysis or discussion will determine and prescribe the nature and scope of the remainder of the analysis contained in this study.

For the purposes of this study, the term "development" will be analysed by exposing the –

- Meaning of the *concept*, and
- the *context* within which it must be understood.

2.3.1 A conceptual understanding of the concept of development

The term "development" is multi-faceted in nature, and not easily definable. For the sake of this study, the following can be identified as some of the most crucial components of development as a practical phenomenon:

- The futuristic nature thereof.
- The need to manage innovative and with a spirit of entrepreneurship.
- The need to produce high-tech, high quality goods and services.
- The reality of continuous transformation.

- To account for the contemporary phenomenon of ever-increasing globalisation.
- To realise the development is about orderly evolution.
- To accept that meaningful development can only materialised if scarce resources are utilised effectively.
- Development is eventually a human-driven process.

(i) Development is *futuristic* in nature. Key features of a 21st century world that became evident from a careful analysis of relevant literature regarding the topic of futuristic studies are, amongst others:

- *Knowledge:* The world is finding itself in the middle of the shift from the Industrial Society to the Information Society. As far back as 1975 Carroll and Henry (1975: 567) have emphasized "... man's ability to manage knowledge is of central importance in contemporary public administration."

  The important point is that successful countries of the future will be those that accept the reality of development being dependant on its ability to base their development management processes, systems and structures on a knowledge foundation. In order to achieve this, it will be necessary to ensure not only appropriate education and training opportunities, but also that these (educational / training structures) produce qualified specialists. Of equal importance will be to ensure that organizations accept the challenges to manage the knowledge to their avail in such a way that they are able and competent to facilitate continuous improvement and development.

(ii) A future world will depend on *innovative* management and the building of *entrepreneurial* competency. This aspect will be thoroughly analysed in Chapter 7.

(iii) A society in a future world-order will not be regarded as developed unless it is able to provide *high-quality, high- tech* goods and services. The existence of

a science such as Total Quality Management already provides evidence of the importance of quality as a pre-condition for effective service-delivery in a modern public management environment. South Africa"s people are living in a world where the term "minimum living conditions" implies more than merely a shack and a full stomach. It also implies the availability of running water, and of electricity. These are quality services that are demanded and expected by communities in developed (and even developing) countries.

(iv) Transformation. As early as 1970 Alvin Toffler (1970: 27), well-known futurist remarked in his book Future Shock that "(a)mong many there is an uneasy mood – a suspicion that change is out of control". Asked 30 years later whether the human being haven't became accustomed to accelerated change he answered as follows (Daly, 2001: 18): "I don't think so... (T)here are a huge number of people who feel that the future is arriving so fast that they're hanging on by their fingernails." However, he also stated that "... some societies transform themselves technologically or economically more rapidly than others. We also know that different sectors in the same society exhibit different rates of change...". These different rates in ability for change amongst the various sectors of the South African communities will be another important consideration in this study, as this will impact directly on the interaction between various nations in a world of increasing global interaction. As stated repeatedly in the above-mentioned paragraphs, the South African community is in a phase of fundamental and rapid transformation. Perspectives regarding the role of the state and its development agencies in this process differ fundamentally amongst the various sections of the South African community; as is evident from the following statistics issued in 1991 (Schlemmer, 1991: 167-168). A Markinor "social values study" among urban South Africans reflects the following broad patterns of expectations of government:

- On the statement that the state (government) should see to or guarantee the satisfaction of the needs of individuals, 39 percent of all black respondents,

as oppose to 9 percent whites, strongly supported the statement. Only some 22 percent of black respondents regards the individual as being primarily responsible for his or her own needs satisfaction.

- 51 percent of whites and 32 percent of coloured and Indian people believed that a solution to poverty is individual self-sufficiency. Only 19 percent of black respondents held this view.
- Roughly 53 percent of blacks, 52 percent of Asians and 39 percent of coloured people believed strongly that the government should regulate the economy. Only 21 percent of whites expressed a similar view.

The above-mentioned statistics reflect the contradictions in community believes and - values that complicates the South African government's development role. This has a real impact on the way in which the South African government must plan and manage its development initiatives.

In order to realize the massive expectations of its citizens, and the firm believe of a vast proportion of its citizens that the government must provide the opportunity for self-improvement; the South African government has embarked on a sweeping and far-reaching transformation programme. These initiatives and programmes of transformation will be thoroughly analysed in this study in an attempt to determine their ability to contribute pro-actively towards development in the country.

(v) The future will be characterized by *increased globalisation.* The world as it is known today has become a small place; a mere village in comparison with the space perceptions of the inhabitants of only yesteryear. Internet, El Gore's information highway and satellite communication have broken down traditional barriers of space – and time perceptions, and transformed visions, perspectives and (eventually) the world into a single micro-cosmos of never-ending interaction and unavoidable inter-dependence.

This "closed plane" concept is quickly becoming a reality in the lives of all the earth's inhabitants. The boundaries of cultural, political and economical divisions are fallen slowly but certainly. Western Europe, with

its once sharply divided and highly nationalised independent states is on the brink of unification. Already a single currency exists to be shared by these states.

South Africa is not an island; a very expensive lesson learned well during the years of virtual total isolation. Any country that believes it can stand alone and still share in the growth and development of the global community of nations is living in a fool's paradise.

Unfortunately, not all participants in this global game have the same impact on the rules according to which the game is being played. By way of example, mention can be made of the five permanent members of the Security Council of the United Nations, dominating the decisions of that influential body, and empowered to veto any decision to their dislike; regardless of the perceptions of all other countries of the world. Another example is the recent contribution of some 31 billion odd dollars by the United States of America to the International Monetary Fund. Lesser-developed countries may borrow the money, but not unconditionally. The price for them to gain access to these funds will basically be to adhere to the conditions set by the United States, which will naturally suit the interests of that superpower.

Global interaction has a direct and far-reaching impact on the management of development initiatives in South Africa. In the first instance mention can be made of the example set by the implementation of such initiatives elsewhere in the world. Thanks to a sophisticated communication network, this knowledge is easily and continuously shared with South African decision-makers. In a new order, where South Africa has been transformed from the black sheep of the world into a valued member of the international community, South Africans eagerly share such knowledge.

(vi) Development is all about *orderly evolution through the creation of appropriate structures for development.* Swerdlow (1963: xiii) is of the

opinion that one way of defining development administration is through the concept of "management of change". He then continues in this vain by arguing that the most widely accepted element of development administration is its emphasis on economic growth. He also indicated that the modernization of a country's economy is the first step towards achieving meaningful development.

Fainsod (1963: 2) then supports the above-mentioned perspective by arguing that development administration involves the establishment of machinery for planning economic growth and mobilizing and allocating resources to expand national income. Such initiatives must be supported by the dominant political leadership in the country (Fainsod, 1963: 15).

The essence of the above-mentioned discussion is that at he establishment of appropriate management structures is a prerequisite for development-through-orderly-evolution.

(vii) Development can be linked to *effective utilization of resources*. Resources utilised for development purposes are obtained from the public, and must therefore be used with the mindful acknowledgement that the service delivery agencies to which it is being channelled must account to the public regarding why it was used, and the results achieved in the process.

(vii) It can be concluded from the above-quoted statements that development must be accepted and handled as a *human* driven and human centred phenomenon, with the aim of improving the living conditions of the general population.

2.3.2 Criteria for the recognition of a "developed" stage

The World Bank (in 1988) defined a developing country as one having a GNP *per capita* of less than US$6,000. The opinion is that developing countries generally have a colonial past and lag behind richer countries in terms of economic

development, technology, infrastructure and social and political institutions. Such a categorization is often criticized as it groups together newly industrialized countries such as South Korea and Singapore, which are becoming richer, with countries such as Bangladesh and Somalia, which have stagnated, or even have fallen income patterns. Developing countries are often collectively known as the *Third World.*

Although the ideas expressed in the above-mentioned passage can be regarded as stereotyped, and possibly even outdated, it nevertheless gives a thorough synopsis of the current perception of developed - versus a non-developed worlds. For the purposes of this study, South Africa has been classified as a "developing country," and part of the so-called *third world.* However, for the sake of a proper perspective, it is important to indicate that such a classification might be troublesome, as South Africa might, in many ways, be regarded as two worlds in one country. The one world is (in the words of President Thabo Mbeki) wealthy and white, and the other poor and black.

One key characteristic of development that deserves further exposition is the futuristic nature thereof. The next passage will be utilized to analyse the importance of this aspect for the purposes of this study.

2.3.3 A contextual understanding of the concept of development

Development as a practical, manageable phenomenon can only be subjected to scrutiny and in-depth analysis if the *contexts* within which such analysis is being done is properly explained.

(i) The *time context* of development:

This study has already determined that development is futuristic in nature; meaning that development implies a process whereby the existing reality must be transformed in such a way that an *improved* reality will eventually materialise. This is, however, only part of the complete picture, and it must be kept in mind

that development has to do with both the past, as well as the present. For instance, it can be accepted that the need for social upliftment and development in South Africa can largely be traced back to something that happened in the past. This was the reality of separate development, which caused the neglect of development in (primarily black) townships and other areas, mainly under black occupation. However, the result of this neglect caused a future reality; namely under-developed black townships. The implications for the future are that social and physical development initiatives must concentrate on improving conditions in Black Townships over a certain period in the future.

(ii) The *interactive context* of development:

Development is an interactive discipline; meaning that development can never be undertaken in isolation, but any development initiative must be managed with due consideration of the dynamic context where it will eventually be applied. As stated above, South Africa forms part of a much broader and inter-dependent world. This reality was comprehensively discussed in the preceding paragraph 3.2 and will not be further exploited at this stage. South Africa cannot try to manage its development initiatives in isolation. Various other role-players have a direct and substantial impact on the ability of the country to management the development process effectively. This interactive dimension of development can be presented as follows.

- The *international community*. The influence of superpowers (such as the United States of America) and other countries in the world on the management of development initiatives in South Africa was comprehensively discussed in chapter 3 of this study, and will not enjoy further attention at this stage.
- The *Regional context* of development. South Africa is part and parcel of Africa. From a global perspective, Africa is poor and under-developed (to put it mildly). However, the irony is that Africa is potentially enormously rich. Africa must join hands and work towards collective development.

Development in South Africa will always be severely hampered if the country attempts to develop itself separately from the rest of Africa; especially its immediate neighbours, because this will result in an situation where the citizens of these countries will (increasingly) see South Africa as a very desirable destination for illegal immigration. This will put an additional burden on the country's already limited and over-stretched resources available for development. Development in South Africa must be seen as African development.

- The *national context* of development. The primary focus of this study will be development within the Republic of South Africa. A thorough and comprehensive exposition of the quantifiable need for development in South Africa will be given on a later stage of the study. Although the source dated back to 1994, Piebrse's perspective in this regard (1994: 6) are still relevant and appropriate for the South Africa of today when he states that "(t)he vantage point is the need for a national development strategy which focuses on meeting the basic needs of all South Africans, democratising the society and its economy and putting the country back on a new and sustainable growth path". The Minister of Public Service and Administration (Dr. Zola Skweyiya, 1996: 215) adds another dimension when he states that "we South Africans have also had to address ... the challenge of extending services to the areas of the previously socially and politically marginalized communities." Development within South Africa means an improvement in the standard and quality of the lives of all South Africans. In South Africa development constitute growth and change on a horizontal, as well as a vertical level. It includes an improvement in the conditions of communities on a national, provincial, and individualized level. Development does not mean a rich Gauteng Province, on the one hand, and a desperately poor Northern Province, on the other. Neither does it implies a state-of-the art Constitution respected world-wide, full of very well-sounding terminology and moral concepts, while South Africa's major city (Johannesburg) is known as the

murder capital of the world, and the unemployment rate stands at 40 percent of the economically active population.

However, it will be important for the sake of this study, to accept that "internal competition" can be very useful in establishing an internal market that can be utilized as a structural means of stimulating development.

- The *institutional context* of development. Institutional development refers to development within the public sector-in-operation. This includes the entire range of actions and activities aimed at achieving sustainable development in South Africa. In essence the term "institutional development" (as it will be used in this study) refers to:
  - Choice making by voters, interest groups and other role-players involved in the setting of development-objectives.
  - The decisions and initiatives of public sector regulators and policy-makers such as legislators, political executives and their respective secundes.
  - The management of development-initiatives by public development agencies in order to ensure effective, efficient, economical, responsive and need-based service-delivery to the South African community at large. (Concluded from the preceding discussions up to this point).

  Institutional development, as it will be presented in this study, is a important term, as it reflects the importance of internal development within public development agencies (regulatory, as well as operational) with a view of transforming these institutions in service-orientated and development-centred organizations. All systems and procedures must be adapted to ensure that their vision and strategies reflect a true development orientation. This study will attempt to determine if South African public development agencies are able to meet these challenges, and if so, to what extent.

2.3.4 The quest for sustainability in development management

The Center of Excellence for Sustainable Development (www.sustainable.doe.gov/overview) describe the term "sustainable development" as "a strategy by which communities seek economic development approaches that also benefit the local environment and quality of life. It has become an important guide to many communities that have discovered that traditional approaches to planning and development are creating, rather than solving, societal ... problems." Development policies are public policies which succeed in raising the quality of life of a society's citizens. The objective with sustainable development in this sense is to achieve a self-sustaining improvement in medium to long-term quality of life (Cloete, 1999: 313). Leibman and El-Eini (1996: www.sustainable.doe.gov) is of the opinion that, although sustainability means many things to many people, general consensus exist that any sustainable development initiative should include the following:

- An integrated plan to protect a community's environmental, social and economic well being, with none to take priority over the other.
- Civic engagement and participation by all affected parties (making decisions through consensus is controversial but is being used more and more in planning and policy-making).
- Development of "indicators" that not only measure a community's economic health but also its environmental and social well-being, and then setting new quality-of-life targets based on these measures.

An APA Policy Guide on Planning for Sustainability (www.planning/org/sustdvpg.num) express the opinion that patterns of human development – physical, social and economic – effect sustainability at local as well as global level. The article identifies four (4) basic dimensions to the "sustainability" issues; namely –

- Sustainability implies that communities must be provided with a good place to live in, with economic - and other opportunities then offered to inhabitants.

- The unique, - as well globally acceptable values originating from society must be respected and protected (issues such as individual liberty and democracy).
- The biodiversity of the natural environment must be protected – for both the contribution it makes to the quality of human life and for its own inherent value.
- The ability of a public sector's surrounding environment and supporting systems must be maintained to optimize its role in economic – and human development.

Bray (1996: www.sustainable.doe.gov.) is of the opinion that justice; equity, voluntarism and philanthropy contribute to the sustainability of communities. Strong families, healthy and educated children, a competent workforce, and jobs with decent pay are also listed as essentials.

Geis and Kutzmark (www.sustainable.doe.gov) identified the following forces that drive sustainability:

- Limited resources
- Urbanization
- Scientific knowledge
- Technology
- Social awareness
- Health and safety imperatives
- New economics.

The authors suggested the following structured approach to implement a management plan aimed at achieving sustainability in development (Geis and Kutzmark: www.sustainable.doe.gov):

- Establish community goals (general, - as well as specific).
- Assess specific areas of the community to target them for sustainable development.
- Identify success indicators.
- Build consensus and collect inputs on the goals from all role-players in the community.

- Developing a strategic plan for achieving the aims of the programme.
- Develop a set of design guidelines to use in the planning and development process.
- Identify and acknowledge potential barriers to success.
- Adapt community processes to act as tools to drive sustainability.
- Maintain open lines of communication with the public, and keep the process accessible and flexible.
- Document and publicize results and successes, and recognize those people who have assisted in achieving those results.

Processmatically analyzed, sustainability is multi-faceted, composing of (Cloete, 1999: 315):

- *Political sustainability* - refers to durable, effective political commitment and support founded on legitimate, democratic processes.
- *Institutional sustainability* - refers to the establishment of durable, effective and efficient institutions which have a good record of achieving strategic policy objectives and of learning from past failures and successes.
- *Managerial sustainability* - refers to a strong and committed leadership, clear and unambiguous strategic policy objectives, a broad-based consensus about these objective, effective strategic and operational policy implementation, co-ordination, monitoring, assessment, review and redesign processes.

2.4 A PUBLIC SERVICE DELIVERY OPTIMIZATION APPROACH TO THE MANAGEMENT OF DEVELOPMENT

The term "development initiatives" will be used repeatedly as a central concept in this study, and a proper, contextual appropriate understanding of the meaning thereof will thus be of essential importance. For the purposes of this study, the concept of "development initiatives" will refer (in essence) to those strategic priorities identified as a means of facilitating development in South Africa. In this

sense, it can be accepted that there's a direct relation between the term "development initiative," and applied, tangible and measurable *service-delivery.* Service-delivery is the end-result of the management process aimed at development. However, the measurable *impact* of service-delivery on the community is the deciding factor on whether development did materialise or not. The term "development initiatives" will integrate the entire process of identifying a specific development priority, planning for the execution thereof, implementing it by rendering a specific service to the community, and measure the impact to determine whether it contributes towards community improvement.

As an important policy document regulating service delivery in South Africa today, the White Paper on Transforming Public Service Delivery (1997) will be used extensively during the scope of this study, and it is therefore deemed appropriate to conclude this passage with the quotation of a few words from the foreword to this White Paper, written by Dr. Zola Skweyiya, where he states that: "I know that one of the Government's most important tasks is to build a public service capable of meeting the challenge of improving the delivery of public services to the citizens of South Africa. Access to decent public services is no longer a privilege to be enjoyed by a few; it is now the rightful expectation of all citizens, especially those previously disadvantaged. This is why the guiding principle of public service transformation and reform is "service to the people"" (White Paper on the Transformation of the Public Service, 1997: i).

Public service delivery aimed at development has been one of the key priorities of the post-1994 Government. Various initiatives were embarked upon with a view of promoting effective and tangible improvement in service delivery to the South African community.

From the above-mentioned quotation, it is apparent that the Government has embarked on a far-reaching and fundamental transformation of the South African public sector with a view of transforming it into an organizational entity capable of service delivery that will ensure development in line with government policy. This transformation will be all-inclusive, and will include aspects such (which is apparent from the above-mentioned quotation):

- The aim of the government is to promote and enable *reconstruction and development.* It is thus clear that the government's development plan still centred on the objectives identified in the Reconstruction and Development Programme.
- The government has engaged in a comprehensive process of policy analysis, and subsequent policy adaptation to ensure that policy objectives are formulated that will promote the aims of the Reconstruction and Development Programme. The result of this policy-making and policy analysis processes is numerous Green,-and White Papers, legislation and related policy documents.
- All systems and processes in the public sector are liable for change. In essence this all-inclusive process of transformation amounts to a *paradigm* shift in public sector management and administrative processes.

When the government's approach to transformation in South Africa is analysed, it became apparent that referring to a number of key themes in their approach could best identify the South African government's response to the public sector management incapacity to promote meaningful development. For the sake of this study, these can be identified as follows:

- *Change:* Change refers to the process whereby an unsatisfactory existing situation is adapted to enable the coming to being of a new, satisfactory situation or reality. Change can be regarded as a short-term process with specific aims whereby management systems, processes and structures must be adapted in such a way that transformation objectives are eventually realized. The change process might be applied to various management activities; the combined result of which must enable management transformation.
- *Transformation.* In the South African situation, the term "transformation" is a broad, all-inclusive concept that basically referred to the identification and implementation of policies and strategies that will ensure a move away from an old order to a totally new way of interaction, a new way of doing things. For

the purposes of this study, however, the term "transformation" will be viewed as a series of change processes whereby old and outdated viewpoints, perspectives, work processes, systems and structures will continuously being adapted, and/or replaced by new ones. These new realities must enable the realization of goals and objectives capable of enabling sustainable development.

- *Reconstruction.* At the centre of the South African government's transformation wave, is the reconstruction of the South African society in all its dimensions. The government's main aims for the reconstruction of South Africa is clearly spelled out in various government policy documents, such as the Reconstruction and Development Programme, and a number of transformation–orientated discussion documents.
- *Re-distribution.* One of the main features of the South African society is the reality of inequality (the gab between the have"s and have-nots). This issue has a multiple dimension; including racial and geographical.
- *Progress.* A very important principle in the concept of development is that *change must be undertaken with a view of, and in such a manner that progress (growth) is ensured.* Change (transformation) for the sake of change (simply to get rid of everything associated with the old regime) is a real and very dangerous phenomenon that often threatens to destroy very good work done in realizing development in South Africa.

2.5 KEY PERFORMANCE AREAS TO BENCH-MARK THE STATE OF DEVELOPMENT IN SOUTH AFRICA

Development is a complex phenomenon and South Africa must take cognizance of various factors impacting upon it in planning development initiatives in the country. To put the dilemma faced in this regard in perspective, the following example can be quoted: The question may of asked whether the United States of America (as an example of a country as close to "pure" capitalism as one may get) can really be regarded as more "developed" than Norway (a country that

might be regarded as a predominantly "socialist" state). Although the *per capita* income per person in the United States of America (US$ 24 680) might be higher than that in Norway (US$ 20 370), it can be argued that Norway has developed such a sophisticated system of service delivery to their community that the average Norwegian does not necessarily enjoy a lower standard of living than his or her counterpart in the United States of America. Another aspect that influenced the understanding of the level of development in a country is the unique internal circumstances in that specific country. The culture of doing business in the United States of America (characterized by informal, individualized corporate behaviour), for instance, differ remarkably from that in Japan (characterized by much more formal, collective corporate relations) but cannot by any stretched of the imagination be regarded as superior (read: contributing towards a more developed stage of interaction). Fact of the matter is that Americans understand and function optimally within a corporate culture of informality, while the same can be said of a formal culture in Japan. (Comparative data obtained from the Webster Encyclopedia, CD-rom version).

In order to overcome the above-mentioned problem, the United Nations annually issued a so-called "Human Development Index." Three questions basically determine a country's ranking on this index, namely:

- The literacy level of the population;
- Life-expectancy at birth;
- Gross National Product (GNP) per person.

Norway is laying first on the index, Australia second and Canada third. South Africa found itself in the 94th place (Erwee, 2001: 86).

One of the most important of these factors is for South African development planners to realize the unique circumstances in the country, which will eventually determine the nature of its development planning. Swerdlow (1963: ix and X) put it as follows: "To demonstrate the need and usefulness of the concept of development administration as a particular type of public administration, it is necessary to show that it involves special understandings required in underdeveloped countries. These must be perceptible at operating levels; that is,

officials must make enough different decisions, adopt enough different policies, and engage in enough different activities to warrant the distinctive designation...

- First, perhaps it can be shown certain patterns characteristic of poor countries materially affect the nature of their public administration. These characteristics may exist in a much lower degree in high income countries.
- Second, perhaps it can be shown that the role of government in poor countries attempting to achieve a satisfactory rate of economic development must be substantially different from the role of government in high-income countries.
- Third, perhaps it can be shown that the "structure" of government, on which so much of the economic and social change in poor countries depends, is different from that in high-income countries.
- Finally, the specific roles performed by public officials may be different in a poor country."

This does not mean that the experiences of the "outside world" (other countries) must be ignored. Certain development strategies and initiatives are clearly universal. It can (and must) be applied, as it is, or in an adapted form.

The essence of this discussion is that certain characteristics (feature) of a "developed state" can be concluded from carefully studying the experiences of countries that can be regarded as "developed" in the modern world, as well as from experiences internal to South Africa. A number of these features identified for the purposes of this study will henceforth be discussed. These factors will be of critical importance for the remainder of the study, as it comprehensively exposed what will be understood as "development," and will thus determine the nature and scope of goal analysis on a later stage in the study. These can be regarded as key performance areas which can serve as objective standards to bench-mark the state of development will subsequently be discussed in paragraphs 2.3.1 to 2.3.6.

2.5.1 Dynamic change for the sake of improvement

Continuous and dynamic change is a prerequisite for growth and development. No organism, irrespective of whether it is natural or organisational can exist without change; it will simply stagnate and slowly deteriorate and eventually ceases to exist. South Africa is a country that is caught up in a period of unprecedented change and transformation. Nearly all spheres of interaction and community life are subject to this change. The danger is, however, that change may be introduced solely to move away from anything and everything associated with the old regime to something new that is not necessarily better, but might even be worse. Such an approach will never be able to facilitate growth and development. What is required, is *dynamic change for the sake of improvement.*

It was without doubt necessary to transform the South African public sector. Not only was the prevailing situation in this sector discriminatory in nature (which is contradictionary to the spirit and intention of the Constitution) but also that the South African public sector was isolated for years during the sanction-period. The internal processes and structures thus did not keep up with developments in service delivery and/or management practices in the rest of the world. One example of this is the reality that the South African public sector was control-bound at a time when the general international trend was to move away from the control-perspective to a more strategic approach to service delivery.

Kliksberg (1994: 183) states that "the speed of the transformation (occurring in the modern world) is unparalleled in history. One can only speak in terms of ultra-rapid change; where the present seems to merge within the future, because distances are shortened at a formerly unheard of rate. The reality at the end of this century will be a global village shaken by fundamental changes, where the past as a point of reference has lost its meaning".

Change must be dynamic; meaning that it must be responsive and aimed at the realisation of goals and objectives that will contribute positively towards development. The change process aimed at the transformation of service delivery with a view of facilitating sustainable development must be an integrative

process. This means that management systems, processes and structures capable of enabling the realisation of these objectives must support transformation objectives (embodied in government policy such as legislation). The measurement (evaluation and monitoring) processes used to determine the success or failure of development initiatives must be appropriate within the context of the broader process and must be able to indicate where negative deficiencies exist in the process and/or the results obtained by it. The first part of this process (the identification of transformation policy) can be regarded as a political process; whilst the latter two (implementation and monitoring) are primarily the responsibility of executive authorities.

The South African government responsively introduced policy changes to promote their transformation agenda after the election of the Government of National Unity in 1994. Examples are numerous; including a large number of Green-and White Papers, resulting in legislation relating to just about all spheres of community life.

A useful method to understand organisational change is Toffler's suggestion which emphasise that characteristics of organisational change in the Third Wave era must be based on a D3 agenda (Du Randt, 1998: 212), referring to –

- downsizing,
- defunding and
- devolution.

Downsizing. The term "downsizing" refers to the phenomenon whereby organisations lay off workers to save cost and/or become more streamline (Lurie, 2001: http://www.geocities.com/WallStreet/Exchange/4280/). In its report to former President nelson Mandela, the Presidential Review Commission (1998: Chapter 3, 4 – 5) has preferred to talk about "rightsizing". The South African government has expressed its intentions to reduce the size of the public sector, and make it more streamline in the process, on various occasions. However, the reducing of the umber of public officials is but one aspect of downsizing and rightsizing. The concept is also directly related to the principle of outsourcing, because in cases where public officials are drastically reduced, some service

delivery functions needs to be outsourced (Presidential Review Commission Report, Chapter 3: 5 – 6).

The implications for the management of development in South Africa is clear: A leaner, more streamlined public sector will cost the taxpayer less, and will thus make available more money to be spend on actual development programmes. The utilisation of private sector partners by making use of the instrument of outsourcing could also add potential value to the process in terms of the availability of private sector expertise to strengthen the government's resources base for service delivery.

Defunding. The term "defunding" refers to a rather complicated principle according to which the government "defund" itself by "transferring" its resources towards alternative methods of services delivery; rather than delivering these services itself. Local involvement by all stakeholders is a prerequisite for the success of such a policy. (Concluded from Lerner, 2002: http://pewforum.org/news/index/phps/NEWSID). The South African government has in a way already give a tentative step in this direction with its policy directives aimed at encouraging outsourcing, public-private partnerships and privatisation.

The impact of a management philosophy based on the principles of the defunding of the state is self-explanatory. Such a philosophy implies direct involvement of the private sector in the development responsibilities and programmes of government.

Devolution. Devolution refers to the principle that real and true decision-making powers must be delegated to "lower tiers" of government; for instance Provincial – and Local Authorities. It is also directly linked to the necessity for meaningful decentralisation of service delivery responsibility. In this aspect the South African government with its largely centralised decision-making structures has failed the test for efficiency.

To expand on the above-mentioned, and link the concept of a D3 agenda more closely to the management of development programmes, the narratives to apply the D3 model can be presented as follows (adopted to suit the purposes of this study)(Durandt, 1998: 216-217):

- *The "budget drives the economy" narrative.* The principle of importance for this study enshrines in this narrative, is that the budget ability of the state largely determines the potential of the country to facilitate economic growth and create employment opportunities.
- *The "rising middle-class tax burden" narrative.* The principle is that the ever-increasing contribution of "payroll-taxation" as a method to fund social services and other maintenance (supporting) oriented public programmes compromise the development potential of the country in the long term.
- *The "market decentralisation" and "smaller is better" narratives.* The principle underlying to this narrative is that government must decentralise service delivery and management responsibilities and activities to smaller units such as local authorities, where the economic benefits of smaller scale will became apparent. This will also ensure more direct involvement of the community in government and service delivery.
- *The "silver bullet" narrative.* This narrative originates from private sector approaches, and basically entails that (within the context of a Third Wave society (characterised by, amongst others, technological sophistication)) service delivery organisations must flatten hierarchies, cut personnel, and reduce administrative overhead in order to achieve improved productivity, cost-efficiency and customer satisfaction.
- *The "energy in the executive narrative.* The implicit assumption of this narrative is that chief executives cannot reinvent bureaucracy without simultaneously reinventing the attitudes of legislatures, judges, and a wide range of other public officials.
- *The "this, too, shall pass" narrative.* This narrative proposed that the desire to accept and implement the D3 agenda would pass as just another phase in the face of practicalities. For example, service delivery initiatives that will necessitate the increased utilisation of public sector service delivery agencies.

To put the above-mentioned perspectives in context, it is necessary to understand that the so-called D3 agenda has as its main aim the desire to get rid of the traditional "administrative state."

Regardless of the specific approach that is followed, the underlying principle is still that public sector service delivery must be managed in such a way that public service delivery agencies must be in an position to quickly and responsively adapt to change in order to maintain and improve service delivery standards.

2.5.2 Responsive service delivery

The former Minister of the Public Service and Administration, Dr. Skweyiya is of the opinion that responsive service delivery refers to (1994: 2)–

- Making public services available to the community where and when needed;
- The satisfaction of the needs of the community in an affordable way; and
- Quality and quantity assurance.

During a speech to the South Africa Institute of Public Administration in 1996, Skweyiya (1996: 215) added to the above-mentioned quotation by expressing the view that, "... as a new Public Service we need to nurture our credibility and this we can only achieve if we serve the public with respect and concern, recognising that service to the public is beyond service to oneself". The concept of responsive service delivery must be understood within the perspective of this quotation.

A wide variety of services and goods must be delivered to the community by the government in order to ensure the effective execution of the above-mentioned tasks. The nature of, way in which, and extent to which goods and services will be delivered in a specific country, and the way in which they determine service delivery priorities, will largely depend on the nature of the system of government and ideological perspective of the government. For example, in a purely capitalist state market forces dominates the provision and allocation of resources, and the role of the public sector is limited to regulation aimed at a thriving business environment and the creation of a safe environment in which these businesses

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can grow. In a socialist state, on the other hand, the government will interfere more directly in the economy and community, and will normally attempt to actively regulate and control the economy. No country in the world is a pure capitalist, and neither a purely socialist state (Concluded from Gregory and Stuart, 1995: 455 – 456).

Although this system of government plays an important role in the way in which a country deliver public services and goods, it is not the intention of this study to dwell too deep into this aspect. It will rather focus on the *management* of public service delivery with a view of determine the *efficiency* (tangible results or impact on the community) thereof.

2.5.3 Performance-driven entrepreneurial public management

One key characteristic in world-wide public management reform was the shift in emphasis away from procedural correct management practices to performance concentrated management practices. In practice this means that the emphasis in public management practices has shifted from the process to the results of the process. This shift has co-insided with a total re-evaluation of the practice and theory of public management; in fact, to such an extent that one can rightfully talk about a new public management *paradigm*. With these changes has come the introduction of traditionally private sector management practices into the public sector domain; such as strategic management, Total Quality Management, Project Management and various other innovative management practices and theories.

A few areas of overriding importance that might exercise a practical influence upon the ability of public service delivery agencies in South Africa includes the following:

- *The existence of a labour environment conducive to productive performance.* For the purposes of this study, this means that workers employed in the public service must contribute pro-actively and in a cost-effective manner towards the realisation of public goals (which are always directly, or indirectly)

related to public service delivery. Put simply, productivity simply means that each and all public sector workers must add more than what they cost.

- *The necessity for actions, rather than endless discussion – and policy documents.* To some extent the wide range of documents spelling out government policy, mostly aimed at transforming the public sector, its service delivery priorities, structures and processes – and society, is understandable in a country engaged in fundamental and all-inclusive transformation. It is doubtful, however, whether a middle-income and deeply divided country such as South Africa, has the ability (with reference to resources and capacity) to *implement* all these policy initiatives (both economically, as well as sociably) within the time-limits set by politicians. What is necessary in South Africa, are actions, rather than endless planning-resulting-in-policy statements. An interesting remark in this regard is to be found in the Government's 1998-report to the nation (1998: 2), where it is stated that "(n)o-one can challenge the fact that on all the major questions that South Africa has to address, this Government has the best possible policies, strategies and laws for the country's needs. But now the challenge is not just good policies – we have them. The foundation has been laid, and we are well into a phase of implementation and clearing problems that we find on the way." In its 1998 Report, the Presidential Review Commission (1998: Chapter 2: 4) comment that "(I)n general, state departments appear strong on policy but weak on delivery".
- *Effective allocation and utilisation of scares resources:* One of the key challenges for nations struggling to establish momentum for sustainable development, is to ensure the optimal allocation and utilisation of scares resources. This boils down to the age-old challenge to marry limited resources with unlimited expectations and needs. Resources must be allocated in such a way that the most pressing development needs are addressed first and foremost; keeping in mind that the existing infrastructure must be maintained at the same time. As the process of development

progress, priorities will gradually change and expand, and the process of allocation must be adapted.

Resources made available for specific development projects and programmes (initiatives) must be utilised as effectively and efficiently as possible. This means, amongst others, that the value-for-money principles must be applied continuously, and that the misuse of resources must be pro-actively prevented.

Knowledge-based management interventions. The explosion of knowledge, and the inventions resulting therefrom, has created an integrated and inter-dependant society that is dependent upon knowledge, rather than tangible capacity for its survival and growth.

An organisation can create develop knowledge in one of two ways, namely Roos *et al.*, 1997: 16 – 17):

- Through purchase (hire persons with key expertise and knowledge from outside the firm); or
- Through internal development; whereby personnel in the organisation are developed through intensive internal training.

In an era of knowledge domination, management practices and applications aimed at the management of development initiatives must pro-actively reflect this reality. Contemporary, proven management concepts and practices must be applied where and when applicable. Modern management aids, such as computers, must be utilised to promote the efficiency and effectiveness of the development management process.

In conclusion, it can be concluded that relatively agreement exist amongst strategic thinkers on how organisations can improve their knowledge base. These suggestion are as follows (Roos *et al.*, 1997: 19):

- Knowledge and learning are key competitive advantages in today's world; essential for the effective attainment of service delivery goals.
- While information technology, organisational structures and physical layout may help; organisations hold aim for behaviour changes to promote sustainable knowledge creation.

- The development and leveraging of knowledge cannot be separate activities.
- Widespread application of knowledge is a goal in itself and a means to develop new knowledge.

2.5.4 Effective Government

A prerequisite for effective government is the maintenance of the democratic nature thereof. In order for the government to be "effective" (from a development perspective, and within the framework of a democratic society) a number of important prerequisites can be identified. (The discussion which follows are based on the exposition regarding the legislative process contained in Ranney (1990: 255 – 285), and interpretation of the analysis done up to this stage, and the authors own experiences as a public officials):

- First is the issue of *effective legislative representation.* This means that persons elected to represents the country, must take their job serious, and give ample attention and time to development issues. This entails more than passive involvement in the political process of initiating new policies within the framework of a specific ideological perspective. It actually means that elected political representatives on all levels of government must *pro-actively* seek for, and initiate development opportunities that is sustainable and realistic, and will benefit the entire South African society. It further also implies that timely and adequate attention must be given to issues of national (developmental) importance.
- Second, in the determination of *policy priorities,* all spheres of government should ensure that the initiatives selected for implementation would contribute towards long-term, sustainable development. This is often a difficult exercise, and subjective in nature (what is meant by "policies that will enhance long-term development," and how does these policies differs from "normal" service-delivery policies?).

The concept can be explained by way of an example. The health policy of the current Government is essentially based on the principle of primary health care, whereby the community is encouraged to accept (and use) clinics (rather than a hospital) as the first medical facility to their disposal. Not only is this clinic closer to the ordinary member of the community, and thus more accessible, but it is also much cheaper for the maintenance of health services. By implementing this policy, the government did not neglect its primary responsibility to deliver health services, but it has laid the foundation for a more affordable health service. This will make available additional resources to spend on other crucial development projects. More importantly, it has established a policy framework for preventative health-promotion, rather than retrospective cure-orientated health policies.

- The Presidential Review Commission (1998: Chapter 1: 5) has identified the following as essential ingredients of good governance:
  - Effective service delivery;
  - Coherent organisational structures, including the organisation and design of ministries, departments and quasi-independent units of government;
  - Appreciably transformed human resource practices;
  - Acceptable levels of financial planning and management;
  - Viable forms of inter-governmental relations.
  - Appropriate arrangements for the functioning of political and administrative personnel.

All of these aspects will enjoy comprehensive attention later on in this study, and will thus not be discussed in detail now.

2.5.5 Open – and closed institutional management systems

The concept(s) of open – and (versus) closed systems of management essentially refers to the institution's (development agency) management response to its environment. In an open management system, the institution will

react pro-actively to changes in its environment, and will adapt its management systems, processes and structures to reflect these changes. In a closed system of management, the institution will not give much consideration to changes in its environment, and will attempt to control its environment, rather than to adapt its management structures, processes and systems to reflect these changes.

This study will be based on believing that the modern development agency's environment is the key determinant for the nature and scope of its internal (institutional) management systems, processes and structures. (Derived from an interpretation of data obtained from De Keyser, *et al.*, 1988: 11 – 12; Anderson and Dawes, 1991: 55 – 57; Fox *et al.,* 1991: 4 and Skidmore, 1994: 3 – 6).

2.5.6 Management efficiency

The management efficiency of public development agencies is directly related to their efficiency in service delivery; which in turn is directly link to your ability to enhance sustainable development. It is a feature of highly developed countries (Japan, the United States of America, countries of the European Union) that they normally have effective public service delivery agencies.

Whether or not South Africa has an effective public service is a difficult question that cannot be answered without in-depth investigation (which will be done on a later stage in this study). What is clear, however, is that serious constrains exist that make effective delivery of development-oriented services to the South African community extremely difficult. Some of the most prominent and often discussed of these include the following:

- Corruption.
- A lack of transparency and accountability.
- Bad financial management.
- A lack of an appropriate personnel utilisation and performance appraisal systems.

What is important is to transform South African public entities into strategic service delivery agencies capable of establishing long-term, sustainable development in the country.

2.6 THE PRACTICAL AND TANGIBLE MANIFISTATION OF DEVELOPMENT

What exactly then are the criteria that determine whether a country can be regarded (and classified) as "developed," or then "developing"/"underdeveloped"? For the sake of this study, the following criteria will be regarded as determinants to establish the state of development in comparative countries:

- *Development expressed in terms of economic growth.* No country will ever reach a realistic and meaningful state of development without sustainable economic development. This is perhaps the most fundamental pre-condition of all for meaningful sustainable development, because no country will be able to afford the requirements for development in other fields if the economic growth-factors does not provided the resources for it.
- *Development expressed in terms of employment.* No country can regard itself as developed if it cannot provide employment opportunities to at least 85 percent of its population. According to a Report of the Department of Labour[1] (1999: 15)"(un)employment, using the international ("narrow") definition, currently stands at about 20 percent. However, we recognise that many of our people have been out of work for so long that they have stopped looking. Unemployment stands at around 29 percent of the "broad" definition are used, which includes discouraged workers."
- If South Africa wants to develop itself with a view of becoming part of the "developed" world, it will have to create adequate employment opportunities for its citizens.

[1] "Create jobs, fighting poverty: An employment strategy framework."

- *Development expressed in terms of social equity.* South Africa has a history of discriminatory policies. In order to rectify the imbalances caused by these policies, "counter discriminatory" policies were enacted.
- *Development expressed in terms of democratic values and citizen participation.* The principles of democratic values and citizen participation are key components of the Reconstruction and Development programme. The enhancement of democratic values is also one of the five key Programmes of document. In the introduction, the authors of the RDP remarked as follows (RDP, 1994: 7): "Thoroughgoing democratisation of our society is ... absolutely integral to the whole RDP. The RDP requires fundamental changes in the way that policy is made and programmes are implemented. Above all, the people affected must participate in decision-making. Democratisation must begin to transform both the state and civil society. Democracy is not confined to periodic elections. It is, rather, an active process enabling everyone to contribute to reconstruction and development."
  In order to achieve the above-mentioned ideals, it is important to create a culture of respect for democratic values. Such values include a realisation of the role of public officials as servants of the community; respect for Constitutional and legal values amongst the general population, and un-bias, fair decision-making by persons in positions of power are further examples of such values.
- *Development expressed in terms of technological advancement.* We are living and operating in an increasingly complex and continuously advancing technological environment. Sophisticated service delivery is increasingly dependant upon the availability of high-tech equipment and advanced communication tools. Hanekom and Thornhill (1983: 53) put it as follows: "Government is faced with phenomenal progress in the areas of *communication* (for example radio, television, telegraph); *electronics* (for example, computers); *transport* (for example, supersonic aircraft and an increasing number of motor vehicles) and *mechanisation.*"

From a management perspective, the single most revolutionary technological progress was in the field of *information* technology; assisting with, and enabling the making of management informed decisions. The astonishing development of information technology has resulted in a situation where almost no information is inaccessible (Clapper, 1997: 114).

- *Development expressed in terms of demographic equity and decent living conditions.* Demography is in essence concern with the study of populations; and includes the following aspects (Campbell, 1997: 411):
  - The size of the population in the country (or region) as a whole;
  - Growth or decline in the population;
  - The composition of the population by location and distribution;
  - The composition of the population by skill and education level;
  - The composition of the population by concentration and density;
  - The composition of the population by age and gender profile;
  - The composition of the population by its economic activity;
  - Changes in the population distribution by migration.

A society can only be regarded as developed if (by far) the majority of the population has access to basic acceptable living conditions, and if all geographical areas thereof are able to support its section of the population.

- *Development expressed in terms of responsive and quality service delivery.* This aspect of responsive service delivery as a pre-condition for meaningful development has been dealt with comprehensively in paragraph 2.2. However, it must, be mentioned as an important bench-mark in the management of process of development as well; and then in the same breath with quality assurance. Meaningful development is only possible if the ordinary member of society is being able to see and experience speedy and quality service delivery from public sector development agencies.
- *Development expressed in terms of citizen safety and security.* As mentioned from the outset in this study, one of the Government's primary functions and responsibilities is to ensure the safety and security of the community it serves.

McDowell and Baliles (1991: www.forerunner.com/mandate/X0043_Five_Functions_of_Go.html) mention as one of the core functions of the state "to provide for the common defense – the protection of innocent human life". Unfortunately the rampaging crime rate is one of the major threats to development in South Africa. If South Africa cannot curb the crime and corruption in its midst, and ensure the safety and security of its citizens, the country will never be able to reached a meaningful level of development.

2.7 CONCLUSION

The purpose of this study is to determine (analyse) the state of development in South Africa. The purpose of this Chapter was to quantify the concept of development in order to "transform" it into a manageable phenomenon. The process followed to achieve this was as follows:

- The terminological meaning of the concept where analysed with a view of identifying the conceptual – and contextual understanding of the concept.
- The concept of development was linked with service delivery to give it a component of motion, and with sustainability to provide quality to the said motion.
- Key performance indictors where identified to serve as "performance-standards" for Bench-marking.
- Conditions / prerequisites required for a situation / state to be classified as "developed" have been identified. This concluded the attempt to enable a proper Bench-marking of the process for the management of development in South Africa.

In order to enable a continuous and relevant analysis of the state of development in a specific country, it is necessary to Bench-mark the concept of development. In other words: it is necessary to determine the key features characteristic of a developed country. In this respect, the study comes to the conclusion that the following elements can be regarded as *key performance areas* for an effective and efficient development initiative:

- Change must be *dynamic* and aimed at realising the ideal of continuous *improvement*. Change merely for the sake of change is undesirable. Change intervals must be strategically planned and structurally implemented to ensure that it forms part of a broader plan for the long-term improvement in the quality of life of the country's citizens / improved service-delivery. Change must be dynamic, meaning that it must foster the ability of public sector management structures, processes and systems to quickly adapt to the ever-changing demands of the environment that prescribe the nature and scope of development goals and objectives.
- *Responsive service delivery.* Responsive service delivery refers to –
  - The necessity to make public services available to the community where and when needed;
  - The satisfaction of the needs of the community in an affordable manner; and
  - Quality and quantity assurance.
- *The public management framework for the management of development initiatives must be performance-driven and entrepreneurial.* The traditional emphasis on the efficiency of the management *process* as an indication of the success or failure of public sector management has been replaced with an emphasis on the *results* of the management process (service delivery). In reaction to this, the three E"s (economy, efficiency, effectiveness) has became very important in the measurement of management productivity. Success or failure is increasingly measured against quality and quantity service delivery.
- *Effective government.* Government, as the ultimate decision-making authority in the public sector, is responsible to determine goals and objectives for development. In order for this (the governing) function to be effective, a number of prerequisites have been identified:
  - Viable forms of inter-governmental relations.
  - Effective legislative representation.
  - Effective processes to determine policy priorities.

- Coherent organizational structures.
- Appreciably transformed human resource practices.
- Acceptable levels of financial planning and management.
- Appropriate measures for the functioning of political and administrative personnel.

- Public sector organizations must function as *open management systems;* meaning that public service delivery agencies must take cognisance of realities in their surrounding environment, as these realities determine the demands for service delivery.
- *Management efficiency.* Corruption, a lack of transparency, poor financial management and poor leadership. must be eliminated; while "good" management practices such as good performance and a sensitivity for good customer care must be promoted.

In light of the above-mentioned considerations, the question arises as to what a country, or situation that can be regarded as "developed" looks like. In this regard the following elements have been identified:

- Development can be expressed in terms of economic growth.
- Development can be expressed in terms of adequate employment opportunities.
- Development can be expressed in terms of social equity.
- Development can be expressed in terms of democratic value and citizen participation.
- Development can be expressed in terms of technological advancement.
- Development can be expressed in terms of demographic equity and decent living conditions.
- Development can be expressed in terms of responsive and quality service delivery.
- Development can be expressed in terms of citizen safety and security.

Within the broader scope of a management model, the approach that will be followed in this study is that development and/or components thereof, as

identified during the scope of this chapter, will be used as objectives for analysis (an indication of *what* must be achieved to realise tangible and sustainable development).

In adherence with the strategic approach to be followed in this study, as exposed in chapter 1, the next chapter (3) will attempt to analyse the environment within which public sector service delivery agencies must manage to realise development objectives and goals. These environmental factors will determine opportunities, as well as threats to/for development. It will also either strengthen, or threaten the ability of these agencies to realise development objectives.

CHAPTER 3

ENVIRONMENTAL ASSESSMENT: THE EXTERNAL ENVIRONMENT

(GLOBAL ENVIRONMENTAL CIRCUMSTANCES IMPACTING ON THE QUEST FOR SUSTAINABLE DEVELOPMENT)

"Change is not just a question of demanding faster reactions.
It has to do with decision-making.
In our present genetic form, we have certain limits
on our ability to cope with this pace of rapid decision-making.
That's not only true for individuals, but it's true for
businesses, for congresses, and governments ..."
Alvin and Heidi Toffler
Futurists

3.1 INTRODUCTION

In Chapter 2 of this study, an attempt was made to quantify the development concept, and present it as a tangible management deliverable. It became clear from the exposition contained in that Chapter that the concept couldn't be appropriately contextualized in the broader context within which it must be understood if the environment is not taken into account. That context expose development as a multi-faceted, future-driven phenomenon, and any attempt to manage it must take cognizance of this broader context, which requires to conceptualize and quantifying it. Expressed in terms of a researchable reality, this context can be identified as the *environment* of development.

An attempt was also made to present the quantified version of development as a practical management objective. However, it is of the utmost importance to realize that, in light of the ever-changing nature of the reality of the post-modern world, environmental circumstances must be accounted for in formulating

management objectives. This reality again brings the focus back to an environmental analysis required to identify development-orientated goals and objectives.

Expressed in terms of a management phenomenon the term "environment" refers to the total surroundings of the organization. All (or most) of these factors exercise some kind of influence on organizations, and its ability to render services or produce products/goods. In the private sector, this environment is known as the "business environment." For the purposes of this study, reference will be made to the *organizational environment.*

All *organizations* (both private, as well as public) function as an integrated *system.* This means that the organization obtain resources required for the execution of its primary functions from its environment, process it (by means of its internal management processes and structures) into tangible services and goods, which are delivered to consumers (who are part of the environment). This theory is based on the principle of a so-called "open system."

The term *"open system approach"* refers to a situation where the service delivery organization (which function as a *system*) accept and take cognisance of the dynamics and changes in its environment, and appropriately adapt its management processes and structures to reflect the realities in its environment, and thus ensure appropriate service delivery.

Not all environmental influences exercise the same kind of influence on the activities of public service delivery agencies. The impact of global influences is much less direct and long-term than day-to-day decisions of the internal management of that specific organization.

The main aim with an environment analysis is to determine environmental factors in the immediate surrounding of public service agencies that could give an indication of either opportunities for development (for instance the availability of natural resources), or threats to development.

It is important to keep in mind that environmental scanning is part of a broader process of *strategic management* (specifically the process of *strategic planning).* The main aim with this activity is to determine the *needs of the community and,*

based on that, identify strategies in how to satisfy those needs. The environment (consisting amongst others, of the consumers of public goods and services) must be analyzed to determine the –

- development needs in the community, and
- to prioritize development needs and requirements.

Two concepts that play an important role in the scanning of the organization environment are the following (Campbell, 1997: 113):

- The environmental complexity[1] (distinguishing between simple and complex environments), and
- the environmental stability[2] (distinguishing between stable and unstable environments).

It is of vital importance for public sector development agencies to determine the needs, requirements and priorities, as well as the appropriate kind of development initiatives from their environment, and continuously monitor the impact of these initiatives thereon. This aspect will enjoy comprehensive attention later on in this dissertation. For now, attention will be given to the identification of some of the main environmental factors impacting on service delivery, and the need for development in contemporary South Africa.

3.2 COMPLEXITIES OF THE POST-MODERN WORLD ORDER

A useful point of departure to analyse the environment in which development must take place, is to evaluate the physical realities of a post modern world. In this regard two aspects will enjoy attention; namely:

- The complexities of our physical environment.
- The technocratic nature of the contemporary world.

[1] Number of external environmental influences impacting on the organization.

[2] How often and by how much the external environment change.

3.2.1 Physical environment

The modern-day physical environment is a complex one. Not only must we deal with cloning (the re-generation of animal life from the cells of other living specimens) but even our food are generically engineered to an ever-increasing degree. Take genetically modified organisms (G.M.O.s) for instance: Only three genetically altered food plants are presently allowed to be grown commercially in member countries of the European Union; namely (Walsh, 1998: 42-43):

- Pest-resistant maize
- Herbicide-resistant maize
- A third maize that is both pest-as well as herbicide resistant.

In North America, G.M.O. varieties account for around 32 percent of maize and 38 percent of soya in the U.S.A. and even as much as 58 percent of Canada"s canola-oil output. Worldwide, some 12 million hectares were planted with modified seeds around the world in 1997 (Walsh, 1998: 42-43).

Generically modified (GM) food has silently made it appearance on South African shopping shelves. Up to 60 percent of all food consumed by South Africans contains some kind of genetically altered component. But not all South Africans are happy with this reality. For instance, the Safe Food Coalition, together with other environmental groups, is pushing for consumers to be properly notified of the genetic components of food stuffs (Ho, 1999: 11).

The growth in genetic engineering and the related industries, such as biodiversity, has created a totally new economic commodity. In 1997 natural product-derived pharmaceuticals alone contributed some $120-billion to global pharmaceutical sales; approximately 40 percent of the total. For raw botanical materials, world trade was estimated at $8-billion. Modern biotechnology – or genetic engineering – is one of the fastest growing industries in the world. Many of the large multinational companies, such as Masanto, Zeneca and American Home Products have positioned themselves as "life science giants." Some have an annual turnover of between $20 - $30 billion (Wynberg, 1999: 38).

Problematic issues that are of especial concern from a moral perspective includes the following (Brynard, 1999: 19):

- Human genetics. Questions such as whether or not man has the right to create life?
- Plant genetics. How safe is genetic manipulated food for consumption?
- Genetic warfare. The world is one step away from weapons that can distinguish between races. Where must the line be drawn?

Although opinions regarding the issue of environmental protection may differ, the fact remains that our lifestyle endangers our physical environment. The worse is that "(o)ur homes are mini toxic minefields because of the amount of chemical compounds in our pesticides and cleaners" (Ho, 1998: 13). Add to this the fact that South Africa's water resources may dry up by 2020. The demand for water kept pace with the expanding population and economy while the climate is becoming drier (Molefe, 1999: 5). Benoni's Bullfrog Dam could go dry quiet soon if urgent measures are not introduced to control pollution in the area. And this is not the only wetland in South Africa that is slowly but certainly destroyed (Christianson, 2000: 2).

- Another major problem is returning epidemics that are popping up all over Africa. Most of these were under control for many decades, but are now re-appearing and spreading at an alarming rate: For instance malaria and sleeping illness. However, the greatest threats in respect of epidemics came from HIV/ AIDS and TB (tuberculosis). Then there's HIV/AIDS - 13,5 million Africans has died of AIDS, representing 85 percent of those who have died of the decease world-wide (Department of Health, 2000: 1). The major reasons for these are -
  - poverty (governments cannot afford expensive anti-viruses)
  - civil war all over the continent, and
  - natural disasters (Badenhorst, 2000: 15).
- See Schedule I for a statistical perspective on South Africa's physical environment.

The threat of *biological warfare* has gained renewed relevance after the threat of terrorist attacks on the U.S.A. became a matter of *when*, rather than *if.* The Economist of 6 October 2001 (2001: 14) put it as follows: "The doomsday scenarios of a chemical, biological or nuclear attack by terrorists, long so popular in books and films, suddenly seems both less fantastic and more worrying." The World Health Organisational has called on governments around the world to improve their readiness for such biological attacks. A glance at the list of states sponsoring "international terrorism" maintained by the U.S.A.'s State Department indicates that most of the seven countries listed (Iran, Iraq, Syria, Libya, Cuba, North Korea and Sudan) have chemical weapon ready (The Economist, 2001: 89; 91).

3.2.2 The technocratic state

The South African economy has gradually decreased its dependency on primary (agriculture, mining) and secondary (manufacturing) economic activity as a basis for job - and wealth creation. Today, more than half of the country's formal job opportunities are in the service industry (banks, tourism, the financial sector).

It is safe to say that the world-wide web (or commonly known as Internet) can be regarded as the realization of El Gore's vision of a information-highway. Consider the following informative quote from the magazine *Smart Investor (*Kruger, 2000: 8): "Information - and communication products and services have steadily increased in capability. The impact of these technologies is only beginning to be felt throughout the global economy. The day when nearly every device we encounter will be able to anticipate, record and reproduce its interaction with us is fast approaching.

"The largest single factor in reshaping the economic landscape has been the Internet and the worldwide web. It is estimated that the growth in Internet traffic doubles every 100 days.

"The Internet seems to posses limitless economies of scale and can easily accommodate an endless amount of additional users without any additional costs".

In 2003 the U.S.A. will account for roughly 50 percent of Internet-based commerce, compared with 75 percent in 1998 (Mandel, 1999: 77), clearly showing that the rest of the world are catching up quickly. Unfortunately this is precisely where South Africa (and Africa's) problem with this new reality lies. Consider the following statistics contained in the following table (Mandel, 1999: 77):

OUTPOSTS ON THE NET		
Projected number of regular Internet users by the yearend 2000		
	MILLIONS OF PEOPLE	*PER 1,000 PEOPLE*
NORTH AMERICA	148.7	479.1
WESTERN EUROPE	86.6	217.5
ASIA-PACIFIC	57.6	16.6
SOUTH/CENTRAL AMERICA	10.8	21.1
EASTERN EUROPE	9.5	32.7
MIDDLE EAST/AFRICA	**7.5**	**7.2**

(Mandel, 1999: 77)

Africa's share of the world market is remarkably low, especially if compared with the continent's share of the world's population. South Africa will have to adapt to the reality of eCommerce and Internet communication if the country has any hope of meaningful global competitiveness.

Rayner (1983: 191 – 192) identified the following aspects as important technological advances that contribute towards the environmental complexities that characterised the 20th century:

- Atomic power. Nuclear capability has both benefited (in the form of nuclear electricity) and endangered the world. (Nuclear accidents as in the case of Chernobyl, and nuclear warfare, as in the case of Hiroshima, to mention but two incidents).
- Computerisation.

- Automation; resulting in the industrialised nature of successful economies of the 20th century.
- Space travel.

The Time Magazine of April 10, 2000 deals extensively with what it has called "a new century's voyage into the future," and then identified the following interesting topics for discussion that gives an idea of the complexities of the modern day (and future) technological advances, these can serve as examples of the complexities of the impact of modern day technologies on the world (Time Magazine, 2000: 34 – 74):

- Will there be live on Mars?
- Will be ever finish the Space Station?
- Will we take vacations in space?
- Will be travel to the stars?
- Will be travel back in time?
- Will someone build a perpetual motion machine?
- Will we clone a dinosaur?
- Will we control the weather?

3.3 THE PREVAILING GLOBAL ENVIRONMENT

The world in which South Africa must develop itself is complex. It is characterised by increased globalisation, continuous tension amongst nations and never-ending change and expansion. All of these factors implies either opportunities for, - or threats to development in the country.

Cable News Network (CNN), Internet and supersonic aircraft has transformed the world into a mega-structure where virtually any place on earth is reachable within 24 hours. Traditional boundaries between nations are disappearing at an alarming rate. Examples are ample:

- The European Union and the creation of the Euro as a separate monetary unit; effectively combined most of the member countries of the EU into a unitary monetary unit.
- In our own region, mention can be made of the effective structures of the Southern African Development Community.

Kliksberg (1994: 183) identified rapid and continuous change as a permanent phenomenon of the modern world order. Modern technology and communication systems have up the transfer of information and compliancy levels are increasingly being tested. Progress and change are rapidly enforced where people felt themselves being left behind in terms of global development. Van der Westhuizen's (1996: 11) perspective on the issue is valid and appropriate when he states as follows: "(A)ltough the South African public sector must clearly find its own solutions to its own specific problems, it is important to ensure that it is informed by what is happening in other countries. Of course, adjustments are necessary if what they are doing is to fit into the unique environment and conditions of South Africa." He then continues by indicating that, in the last decade or so, many countries have embarked on a thorough re-evaluation of the role of the state and the public sector. What, may be asked, are the reasons for such an introspective approach. The most important reasons include among other things:

- The growing impact of economic and political democratisation;
- The increasing international spread of communications and informational technology;
- The worsening economic crisis in the developing world; and
- The growing importance of global markets and competition (because of the outsourcing of public sector services).

The following selective features of the contemporary global environment have been identified for the purposes of this study as having an influence on South Africa's ability to set and achieve development goals and targets.

3.3.1 A changing world order

The single most important characteristic of the world in which we live is the fact that it is changing – and it is changing rapidly. The known realities of the post-World War II era have suddenly collapsed – and all too rapidly for comfort. So has the known world order that has guarantee safety to all of us, in spite of it inherent dangers; because it was known. The bi-polar world order, strangely enough, guaranteed safety to the majority of the citizens of the world – mainly due to the balancing weight of comparative strength. But then the one polar collapse; opening the door for the other to dominate the world and enforce its will onto all others. With that dominance, and the arrogant enforcement the overweight of strength to its avail, the United States has created resentment and hate against it – culminating in the events of 11 September 2001.

The Economist (2001: 13 – 14) is factually correct in its assessment that the events of that day, when two highjack aeroplanes plunged into the twin towers of the World Trade Centre in New York, and another in the Pentagon, killing more than 6,000 people, were crueller in conception and even more shocking than the surprise attack on Pearl Harbour in 1941 – an event which saw the United States entering World War II on the side of the Allied forces. "The deliberate and deadly attacks that were carried out against our country were more than acts of terror. They were acts of war," President Bush proclaimed the day after the attacks. This event has changed America – and with it the rest of the world. This attack on the only remaining superpower in the world – the only country dominant, in a global context enough to go to war and force the rest of the world into that war with it. During his speech to the American Congress in the aftermath of the terrorist attacks on September 20, 2001, President Bush stated that countries around the world would have to choose – "either you are with us, or you are with the terrorists." The implication is clear – a country is either actively supporting the U.S.A. in its fight against the perceived new enemy – or it does not. The price (or cost) of the decision is either access to participation in a global world dominated by the U.S.A., or the shutting of this access in the face of a nation.

Suddenly a world order supposed to be characterised by the "Law of Nature"- majority rule, respect for human rights, and global peaceful participation (Alavi, 2001: http.//users2.evt.net) – is increasingly under pressure. In response to the September 11th attacks, the U.S, Congress passed a Bill which considerably extended the powers of security services in that country – including extended wiretapping authority to the FBI (Federal Bureau of Investigation) and extended periods of detention without trial. The American Civil Liberties Union summarised the effect of this legislation as follows: "Most Americans do not recognise that Congress has just passed a bill that would give government expended power to invade out privacy, imprison people without the due process and punish dissent" (Holland, 2001: www.nyt.com). Several countries world-wide has following suit in sharpening up anti-terrorism legislation.

Perhaps the most authoritative summary of the factors which shaped the unfolding world order are presented by Michael Elliot (2001: 50) when presenting the events that George W. Bush must keep in mind when engaging in a world-side war against terrorism:

- The proliferation of weapons of mass destruction. Since the end of the Gulf War, India and Pakistan have tested nuclear bombs, Iran has continuously sought to acquire nuclear technology, and Iraq would dearly love to.
- Deadlock in the Middle East peace process and a year of near war between armed Palestinian groups and Israel.
- The continuation of repressive autocracies, often dynastic, in the Middle East – including countries Washington regards as its "moderate" friends – that seal off safety values for political dissent.
- A population explosion and growing urbanisation of the Islamic world. In 1975, for example, there were about 10 million more Pakistanis than Mexicans; by 2015 there will be 85 million more. Cities like Karachi, with 10 million people, have become breeding grounds for political extremism.
- Poor economic performance in the Middle East. Not one of its nations has seen anything remotely approaching the record of the East Asian economies

since 1960. A careful report by the Washington Institute for Near East Policy concluded that "the Middle East is losing the globalisation race; its share of world trade is dropping just as (economic) growth rates are falling throughout the region."

- The consequences of two decades of mass immigration from the poor world to the rich one. The investigation into the September 11 atrocities and others of its kind has revealed networks of sympathy for terrorists among immigrant communities in the U.S., Britain, Germany, France, Spain and Canada.
- The globalisation of Islamic extremism. In the past 10 years, countries outside the Middle East that have had some brush with violent Islamic groups include those mentioned above and also Bosnia, Russia, Georgia, India, China, Argentina, Uzbekistan, the Philippines and Indonesia.
- Another factor not mentioned by the author quoted above, is the growing resentment of Africans against the United States, and the Western World in general due to, what they regard as, unwillingness on the side of this rich world to assist the Continent in overcoming the legacy of colonialism and centuries of racism.

However, the culture of respect of human rights, and democratic decision-making have been too deep ingrained into the nation physique of ordinary Americans and West-Europeans to be really endangered. These actions are most properly more a reaction to a specific event, rather than a real, long-term threat to the expansion of democracy and civil rights. Raeburn et al. (2001: 42) put this perspective as follows: "... the terrorists" game is psychological warfare. "They want us to believe our government cannot protect us." And in a sense, they are right. All the force of the American military will not protect us from suicide bombers. The best way to fight this psychological combat is to celebrate the American way of life, to bolster American freedoms, and refuse to bend to terrorist threat ... Declaring martial law or restricting Americans" freedom of movement will mean only one thing: The terrorists have won."

In light of the above-mentioned, it can safety be assumed, for the purposes of this study, that Samuel Huntington's Third Wave of democratisation is rolling on.

Huntington (as critically assessed by Scott London (1991: www.scottlondon.com/reviews/huntington.num)) is of the opinion that a general drive for democratisation is dominating the present political order in the world. He then identified five (5) changes in the world that paved the way for the most recent transitions to democracy; namely:

- The deepening legitimacy problems of authoritarian governments unable to cope with military defeat and economic failure;
- The burgeoning economies of many countries, which have raised living standards, levels of education, and urbanisation, while also raising civic expectations and the ability to express them;
- Changes in religious institutions which have made them more prone to oppose governmental authoritarianism than defend the status quo;
- The push to promote human rights and democracy by external factors such as non-governmental organisations and the European Community, and
- The "snowballing" or demonstration effects, enhanced by new international communications, of democratisation on other countries.

Huntington then examined the processes by which the transitions from non-democratic to democratic regimes took place. He distinguished four (4) general types of transitions; namely (Scott London, 1991: www.scottlondon.com/reviews/huntington.num):

- Transformations where elites in power took the lead in bringing about democracy (Brazil, for example);
- Replacements, where opposition groups took the lead in bringing about democracy (amongst others, Germany, Portugal and Romania);
- Transplacements, where democratisation occurred from joint action by government and opposition groups (reference can be made of South Africa and Poland); and
- Interventions, where democratic institutions where imposed by an outside power (for instance, Grenada and Panama).

According to Huntington, the two most decisive factors effecting the consolidation and expansion of democracy are economic development and political leadership (Huntington, 2001: http.//usimo.state.gov/products/pubs).

Diamond (1996: www. http.//muse.jhu.edu/demo/jod/7.3dimond_tab02.html) identified two broad types of democratic systems, namely:

- *electoral democracies*; referring to democratic systems where a popular vote is used to elect popular representatives, but the supporting freedom of expression and other individual freedoms to make such democracies meaningful are lacking; and
- *liberal democracies*; where election by means of popular vote, as well as the necessary personal freedoms to stem such democratic rights meaningful are in place.

Obviously the desired model is a liberal democracy. Diamond (1996: http.//muse.jhu.edu/demo/jod/7.3dimond.html) identified the following features as characteristics of such democratic systems:

- Real power lies - in fact as well as in constitutional theory - with elected officials and their appointees, rather than with unaccountable internal actors (for instance, the military) or foreign powers.
- Executive power is constrained constitutionally and held accountable by other government institutions (such as an independent judiciary, parliament, ombudsman, and auditor general).
- Not only are electoral outcomes uncertain, with a significant opposition vote and the presumption of party alternation in government over time, but no group that adheres to constitutional principles is denied the right to form a party and contest elections (even if electoral thresholds and other rules prevent smaller parties from winning representation in parliament).
- Cultural, ethnic, religious, and other minority groups, as well as traditionally disadvantaged or unempowered majorities, are not prohibited (legally or in practice) from expressing their interests in the political process, and from using their language and culture.

- Beyond parties and intermittent elections, citizens have multiple, ongoing channels and means for the expression and representation of their interests and values, including a diverse array of autonomous associations, movements, and groups that they are free to form and join.
- In addition to associational freedom and pluralism, there exist alternative sources of information, including independent media, to which citizens have (politically) unfettered access.
- Individuals have substantial freedom of belief, opinion, discussion, speech, publication, assembly, demonstration, and petition.
- Citizens are politically equal under the law (even though they are invariably unequal in their political resources), and an independent, impartial judiciary whose decisions are enforced and respected by other centers of power effectively protects the above-mentioned individual and group liberties.
- The rule of law protects citizens from unjustified detention, exile, terror, torture, and undue interference in their personal lives not only by the state but also by organized antistate forces.

A reliable indication of the degree to which independent nation-states in the modern world complies with these requirements to be classified as liberal democracies are practically exposed in the following tables presented by Diamond (1996:http.//muse.jhu.edu/demo/jod/7.3diamond.html):

Table 1 – Number of Formal Democracies, 1974, 1990-95

Year	Number of Democracies	Number of Countries	Democracies as a percent of All Countries
1974	39	142	27.5 percent
1990	76	165	46.1 percent
1991	91	183	49.7 percent
1992	99	186	53.2 percent
1993	108	190	56.8 percent
1994	114	191	59.7 percent

1995	117	191	61.3 percent

Diamond (1996:http.//muse.jhu.edu/demo/jod/7.3diamond.html)

Table 2 -- Freedom Status of Independent States, 1972-95

Year	Free	Partly Free	Not Free	Total
1972	42 (29.0 percent)	36 (24.8 percent)	67 (46.2 percent)	145 (100 percent)
1980	52 (31.9 percent)	52 (31.9 percent)	59 (36.2 percent)	163 (100 percent)
1985	56 (33.5 percent)	56 (33.5 percent)	55 (32.9 percent)	167 (100 percent)
1991	76 (41.5 percent)	65 (35.5 percent)	42 (22.9 percent)	183 (100 percent)
1992	75 (40.3 percent)	73 (39.2 percent)	38 (20.4 percent)	186 (100 percent)
1993	72 (37.9 percent)	63 (33.2 percent)	55 (28.9 percent)	190 (100 percent)
1994	76 (39.8 percent)	61 (31.9 percent)	54 (28.3 percent)	191 (100 percent)
1995	76 (39.8 percent)	62 (32.5 percent)	53 (27.7 percent)	191 (100 percent)

Diamond (1996:http.//muse.jhu.edu/demo/jod/7.3diamond.html)

Table 3 - Formal and Liberal Democracies, 1990-95

Year	Number of Formal Democracies	Number of Free States (Liberal Democracies)	Free States as a percent of Formal Democracies	Total

1990	76 (46.1 percent)	65 (39.4 percent)	85.5 percent	165
1991	91 (49.7 percent)	76 (41.5 percent)	83.5 percent	183
1992	99 (53.2 percent)	75 (40.3 percent)	75.8 percent	186
1993	108 (56.8 percent)	72 (37.9 percent)	66.7 percent	190
1994	114 (59.7 percent)	76 (39.8 percent)	66.7 percent	191
1995	117 (61.3 percent)	76 (39.8 percent)	65.0 percent	191

Diamond (1996:http.//muse.jhu.edu/demo/jod/7.3diamond.html)

It is interesting to note from the above-mentioned tables that there was a definite growth in the number of democratic states in the world since the early 1970"s. However, more recent trends suggested that the *free* (liberal) democracies has stabilised, and even deceased.

With the above-mentioned discussion as point of departure, a short analysis of predominant trends in the global environment impacting on South Africa's ability to successfully managed development initiatives will be done in the coming paragraphs.

3.3.2 Demise of a bi-polar world order

There has remained but one superpower in the world: *The United States of America.* In terms of functional power and capacity, the country has no challenger in the contemporary world order. This reality is clear from a quick analysis of comparative data reflecting the status of the various potential power-nations in the world.

Compare the following data reflecting the *GNP (gross national product)* of the so-called G7 (seven richest states in the world):

COUNTRY	US$ IN BILLIONS	percent	GDP PER HEAD	POPULATION (MILLIONS)	ANNUAL GROWTH RATE (percent)	INFLATION (percent)
United States	$9,255.0		$33,900.0	275.6	4.10	2.5
Japan	$4,200.0		$23,400.0	126.5	0.20	2.00

Germany	$1,810.0		$22,100.0	82.0	2.70	1.00
France	$1,320.0		$22,700.0	59.0	4.00	2.00
Italy	$1,180.0		$20,800.0	57.6	1.50	1.80
Great Brittian	$1,290.0		$21,800.0	59.0	1.90	2.30
Canada	$721.0		$25,000.0	31.3	1.40	1.40
SUB-TOTAL	$19,776.0		$24,242.9	98.7	2.3	1.9
Russia (Member of the newly-formed G8)	$600.0		$4,000.0	147.0	-5.00	84.00
China (The "sleeping giant")	$1,000.0		$860.0	1,200.0	7.80	2.80
TOTAL:	**$21,376.0**		**19,395.6**	**226.4**	**2.1**	**11.1**

Source: U.S. Census Bureau: Statistical Abstract of the United States: 2000 (Comparative international statistics) (2000: 831 – 832).

It is evident from the above-mentioned table that the combined worth of economic activity in the United States of America is more than half of that of the country closest to it in the world economic ranking (Japan - and Japan is no military power). The gross value of the United States of America's economy is just about equal to that of Japan, Germany, France, Italy and Canada combined. It is therefore clear that the U.S.A. is without a shadow of doubt the predominant economic power in the world.

The U.S.A. is still by far the biggest spender on the *military* in the world, as is evident from the following statistics (Stockholm International Peach Research Institute):

World and Regional Spending on military: 1999/2000 (expressed in terms of US$ billion):

											percent change
Region [a]	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	1991-2000
Africa	11.6	10.5	9.9	10.6	10.1	10.3	10.9	10.1	13.5	13.8	+ 20

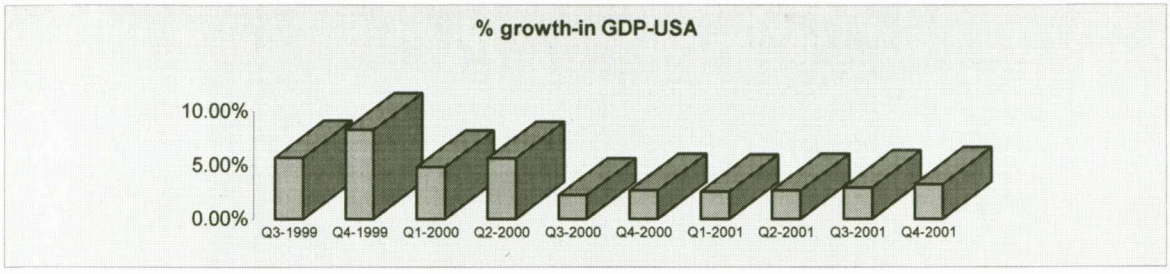
North	2.3	2.7	2.8	3.3	3.1	3.2	3.5	3.6	3.6	4.0	+ 74
Sub-Saharan	9.3	7.8	7.1	7.3	7.0	7.1	7.4	6.5	9.7	9.8	+ 6
Americas	364	383	367	348	333	314	315	308	308	318	- 13
North	345	364	345	326	307	290	288	282	283	288	- 16
Central	2.2	2.4	2.5	3.0	2.7	2.8	2.8	2.8	2.9	. .	+ 29
South	16.5	16.9	19.3	19.1	22.9	21.1	23.8	22.7	22.0	26.3	+ 59
Asia & Oceania	97.9	105	108	109	112	115	117	118	120	123	+ 26
Central	. .	2.0	2.0	1.6	1.7	1.9	2.2	2.1	2.4	. .	+ 21
East	79.4	84.5	85.6	87.6	90.2	92.8	93.9	94.6	94.7	96.1	+ 21
South	11.3	11.3	12.3	12.3	12.9	13.1	13.7	13.8	15.0	17.0	+ 50
Oceania	7.2	7.5	7.8	7.7	7.5	7.4	7.5	7.9	7.8	7.3	+ 2
Europe	. .	296	278	275	239	235	238	227	235	240	- 19
Central & Eastern	. .	95.3	84.5	86.5	60.4	55.3	58.8	47.2	53.5	60.4	
Western	211	201	194	189	179	180	179	180	182	180	- 15
Middle East	70.7	52.2	51.0	50.9	47.9	48.9	53.5	57.3	56.2	60.9	- 14
World	. .	**847**	**814**	**794**	**742**	**723**	**734**	**720**	**733**	**756**	**- 11**
Change (	. .	. .	**- 3.9**	**- 2.3**	**- 6.5**	**- 2.6**	**+ 1.5**	**- 1.9**	**+ 1.8**	**+ 3.1**	**- 1.4**

percent)											

World Factbook: www.yahoo.com

Although the above-mentioned table indicate a gradual reduction in military spending by the U.S.A., the continent of North America has still spend an enormous US$288 billion on defence in 2000 – in comparison with the US$2 billion defence budget for South Africa during the same period (World Factbook: www.yahoo.com). The entire Africa spends only US$13,8 billion during the same period. It must also taken into account that the statistics reflected in the quoted tables was compiled at a time when President Clinton was still in power in the U.S.A. His defence policy was to reduce spending on the military. He has been replaced with George W. Bush in the mean time. Mr. Bush has already made his intentions clear to involve the U.S.A. in expensive strategic defence initiatives again. In light of the above-mentioned, it is clear that the U.S.A. has no match in the military field in the world. It former main competitor (the USSR – Russia) is busy selling its once top-of-the-range weapon systems, and is no serious competitor for the U.S.A. any longer. This strategic defence capacity enables the U.S.A. to enforce its strategic interests throughout the world. And the United States is presently, in the immediate aftermath of the horrendous terrorist-attacks against its citizens on 12 September 20001, united like never before. The U.S. Congress overwhelming approved a resolution, authorising its President Bush to use force against those responsible for the attacks – in the House of Representatives by 420 votes to 1, and in the Senate by 98 to 0 (CNN on-line, 2001: www.cnn.com).

However, everything is not necessary only positive for the U.S.A. The American economy has started slowing down, as is evident from the following perspective on the country's real and projected growth in GDP (Charan and Colvin, 2001: 30):



America spends too much (private sector spending exceeds income by around 4 percent of gross domestic product). In order to keep the demand in line with the supply, private savings on present trends would need to fall continuously from an already unprecedented low. This will mean an insupportable rise in debt. This situation, together with the country"s balance of payment deficit, might force a crisis adjustment at any time. If this happens, the retrenchment in US private demand would represent a negative shock to the world economy worth at least 1,5 – 2 percent of global GDP (several times larger than anything seen from the economic crisis in Latin America or Asia (Elliot, 1999: 15).

Burckhardt *et al.* (2001: 34) describes the slowdown in the American economy as follows: "The nation experienced rapid growth, plentiful jobs, glorious – or so it seemed – investment opportunities, and not even a speck of inflation for the Fed to stomp on ... The everything went suddenly, spectacularly wrong. With a swiftness that caught business leaders and economists off guard, the extraordinary New Economy boom flared like a supernova and went dark." And in an in-depth analysis regarding the produce of quality, Rod Usher has concluded that, "against the blandness of standardization and mass production, European artisans are bringing new tricks to old crafts" (Usher, 2001: 41).

The worldwide exportation of American cultural products is a reality that affects everyone. (Just consider the impact of American movies on the conditioning of young people worldwide (in monetary terms their second most valuable export products – after airplanes)). Even in Canada, where active resistance to the U.S.A.'s cultural dominance is experienced, only 5 percent of the most popular movies and television programmes are local products (Sake-Volksblad, 1999: 3).

However, there is growing resistance on the world against America's "bully" attitude, and its dominance over world events. Millions of Arabs and Muslims hold U.S. foreign policy responsible for the calamity of September 11. There was and is a deep sense of frustration because of the United State's bias towards Israel and because of America's cruel insistence on continued sanctions against Iraq. Plus, for historical reasons, Muslims and Arabs have reason to be bitter towards the United States: In the 1950"s, the Central Intelligence Agency helped toppled the elected government of Iran to reinstall the Shah. In the late 1980"s the U.S. left Afghanistan very messy after using it as a battleground against the Soviets. To further worsen the situation, the Muslim world has not been able to overcome the trauma caused by colonialism (Saghiyeh, 2001: 35).

America's perceived role in the conflict in the Great Lakes region has alienated African countries. An American investigative journalist, Wayne Madsen, has testified before a Congressional Subcommittee on International Operations and Human Rights Committee on International Relations that America has been involved in covert operations in the region, and the conflict in the Democratic Republic of the Congo for the sake of protecting their interests, which were mostly aimed at ensuring sizable profits for American companies (New Africa, 2001: 18 – 22).

The extend of these feelings has become a real treat to the stability of the global order, with anti-American sentiment boiling over ever so often; resulting in terrorism and violence all over the world.

3.3.3 Ideological realignment and interest accumulation in global context

Gone is the Berlin Wall, the Union of Soviet Socialist Republics, the Cold War, and, with it, traditional ideological blocks. Ideologically speaking, the French (with their socialist style of thinking) is today definitely further apart from the U.S.A. ("purely" capitalist) than the former East Germany (part of the vibrant capitalistic German economy). These days, group forming is based much more on practical consideration, rather than on ideological inclinations (just think about Zimbabwe

and Namibia's "selfless" and expensive assistance to Kabila's civil war in the DRC (Democratic Republic of the Congo). What is that *really* all about: Ideology, or the DRC's rich mining potential?)

The exception to this phenomenon is the "ideology" of r*eligion.* Purely ideological divisions has fallen apart the last couple of years (for example, communism-versus-capitalism, apartheid), but religious division has increased in intensity, as well as the number of incidents involving religious-based conflicts (Indonesia, the ongoing Israeli-Arab conflict, to mention but a few). It is noticeable that, in spite of a bloody seven-year long war between the two countries, Iran time and again sided with Iraq in their conflicts with America, and other Allied countries. The binding factor? A shared fundamentalist Islamic religion.

Religious fundamentalism has divided countries throughout the modern world: Consider the ruthless (and merciless) murders in Algeria by Muslin fundamentalists on supporters (and often innocent bystanders) of the Government after the latter refused to accept the result of an election apparently won by the Muslin fundamentalists. In Israel the worsening state of relations between ultra-Orthodox Christians and their secular follow countrymen has been identified as the country's number one domestic problem (Beyer, 1998: 32).

Another ideology that is generally accepted as a prerequisite for acceptance as a fully fletched member of the international community is *democracy* (for instance, the democratisation of former Eastern European Countries (including former member states of the USSR).

No single event has highlighted this re-defined religious divines nearly as clearly as the shocking attacked by tourists on the World Trade Centre and the Pentagon on 11 September 2001; causing the collapse of the first-mentioned tower-complexes. The leader of Afghanistan's ruling Talliban has openly requested the Arab world unite and prepare for a holy war in response to the United State's and its Allies threats of retaliation – which would have includes the bombing of his country in an attempt to force it to surrender the Muslim fundamentalist leader, Osama bin Laden to the U.S.A. (CNN on-line, 2001: www.cnn.com). The frightening threat is that the world will increasingly divide

between an Islamic group (on the one side) and an Western group (on the other) – and that these to poles will represents the conflicting parties in a third world war – fought unconventionally not so much between identifiable nations, but even within nations amongst the said divine.

Osama bin Laden, the number one suspect as the one person in charge of the terrorists responsible for the September 11 attacks on the U.S.A., is a prime example of Muslim fundamentalism. He wants all American (and any other non-Muslim forces) off "Islamic" land (his first aim is to force the approximately 6,000 U.S. troops (stationed there after the Gulf War) from Saudi Arabia soil). He is inclined to refer to historic periods during which Muslims have conquered the West, and it is perhaps possible that he believes that this can be accomplished again (Beyer, 2001: 48 – 49). An article in Time Magazine of 15 October 2001 expressed the view that bin Laden's ultimate goal is two-fold; namely (Beyer, 2001: 48):

- To expel the U.S. from the Islamic world, and
- to unite Muslims in one empire.

The atrocities performed by Christian Serbs against Muslims in Bosnia have also worsened relationships between Christians and Muslims in the recent past. Utterances by President Bush after the terrorist's attacks on 11 September to the effect that the U.S. will engage in a "crusade" against terrorists has further worsened the anti-U.S. feelings in the Muslim world. Even though the governments of most Muslim states cited with the U.S. in their fight against bin Laden, and the Talliban regime in Afghanistan hosting him, it is also clear that the ordinary citizens of those countries do not necessarily share the feelings of their rulers. Fact is that, regardless of repeated assurances by the U.S. and other Western leaders that the anti-terrorist campaign will be against terrorists and countries harbouring them, there is a clear "feeling" in the world that the West (perceived by most Muslims as representing the Christian believe system) is gearing up against the Muslim world.

3.3.4 A dynamic global economic order

After the fall of the Berlin Wall, and the gradual dismantling of former communist regimes (and with it, their associated economic system) and the (economical) rise of the Asiatic countries, came the hope that capitalism and the liberal democracy might solve the world's problems of poverty and related social evils. Globalisation and the free flow of capital between countries were common practice, and it worked for a while (Asians and the American economics expanded rapidly) (Olivier, 1999: 30).

But not everyone is necessarily happy and content with this state of affairs. The economies of Indonesia, South Korea, Thailand and Malaysia started to free-fall. In South Korea, foreign investment decreased from $42 billion in 1996 to $21 billion the next year (Olivier, 1999: 30). The World Council of Churches (during its eight international congress) appeal to its 339 member churches to find an alternative to the "new form of domination" (*read:* globalisation). In November 1998, during a international conference on Globalisation, employment and quality of life, representatives agreed that the "Washington-consensus" and the financial power of the world markets must be resisted. In some instances, economic globalisation is expensive: Research published by Allied Irish Bank (GB) reveals that the cost to Britain's 3.7million small and medium-sized businesses of converting to the euro will be likely to exceed 6,2 billion pound (Kilty, 1999: 102).

One of the most prominent practical manifestations of a more open global economy is multilateral trade negotiations; where countries negotiate for less monetary restrictions on international trade. Developing countries were initially excluded from these deals, but after the so-called Uruguay Round they have come into the fold.

This point (of global economic inequality) is highlighted by the structural inequality of the world's economic regulating infrastructure. World-bodies controlling economic policy (the World Bank, the International Monetary Fund, for example) are all dominated by the so-called G-7 countries (the seven leading industrial countries in the world (the U.S.A., Britain, Canada, France, Germany,

Japan and Italy (in the most recent past the Russian finance minister has been invited to participate in G-7 meetings))(Multipedia, 1995: 1). Through these world bodies (which, amongst others, determine world-wide borrowing policy) have the power to prescribe, to some extent, economic policy to developing countries. The IMF, for instance, has been accused of imposing social unjust and economically flawed policy programmes on developing countries, whilst bailing out Western creditors and investors through its aid and assistance (Warner, 1999: 15). In spite of this, the G-7 countries are presently considering various reform options for the world's monetary regulating system; amongst others the following proposals originating from discussions of the Group of 22 (G-22); which includes developing countries (including South Africa)(Chote, 1998: 13): World-wide monetary policy must promote—

- Transparency of national policies (including annual audits by the International Monetary Fund (MF)) and a commitment to detail public sector foreign exchange positions);
- Strengthening financial systems (including greater co-ordination among supervisors and an examination of hedge fund supervision); and
- Aiding crisis resolution (including informal IMF-sanctioned debt stand-stills and bond contract clauses to restrain rogue creditors).

In conclusion it can be mentioned that key inequalities exist in the contemporary global economy that must be accepted as a reality if South Africa wants to ensure the bringing-about of sustainable development. These can best be described by referring to a speech made by Michel Camdessus, Managing Director of the IMF (International Monetary Fund) to the Foreign Policy Association (Business Day, 1999: 8):

- Globalisation is here to stay.
- The IMF will neither be abolished, nor transformed into a World Central Bank.
- The future belongs to "integrated, open capital markets."
- On the role of private banks and companies he said: "The nub of the issue is to help to channel private capital flows to where they will be used best, and to

enable investors to assess risks realistically while accepting the consequences of poor decisions."

3.3.5 The 21st century's universal global morality: Human Rights

Human Rights are the common, shared morality of the world in the 21st century. Human rights is a non-negotiable requirement for acceptance in the global community, and no country contravening this principle will be allowed to share in the world's knowledge and resources available for development (e.g. the severe sanction imposed against the apartheid regime in South Africa during the 1970 – early 1990"s).

International support for a core group of human rights has been enshrined for more than half a century in the Universal Declaration of Human Rights, ratified by the United Nations in the aftermath of the Second World War and the holocaust. This declaration was strong on principle, but too general and vague to serve as a legally enforceable document. During the 1960"s two more convenants were thrashed out in an effort to give practical effect to the declaration, namely: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights (Economist, 2001: 18).

During the cold war-period, enthusiasm for these covenants was split along ideological divines: capitalists were keen on civil and political rights, whilst communists were essentially concerned about social and economic rights. In terms of publicity and promotion, the rights set out in the first covenant where closely monitored by human rights advocate such as Amnesty International and Human Rights Watch. However, Western human-rights groups, which traditionally focussed on civil and political tights, are increasingly starting to focus on economic and social rights, which includes housing, food, health care and fair wages (Economist, 2001: 18).

The concept of international protection of human rights is firmly established in international human rights law (Ramcharan, 1989: 9). The United Nations has issued a Declaration of Universal Human Rights (10 December 1948). Since 10

December 1948, marking the beginning of an age of the absolutism of human rights, the world has recognized that respect for human rights is directly dependant on acceptance of certain responsibilities by each and every person. That is why various prominent personalities from around the world (amongst others Jimmy Carter, lord Callaghan, Shimon Perez and Valery Giscard d'Estaing) are presently working on a document to be called *The Universal declaration of Human Responsibilities.* In essence the document will focus on human responsibilities required to ensure human rights (Brynard, 1998: 30).

The World Report: 2001 of the organisation Human Rights Watch expresses the opinion that, on a societal level, the right to elect one's government, and the right to participate in the national debate regarding the future direction of the country are key ingredients of modern-day human right principles. The Report also expressed the opinion that respect for these basic freedoms helps to encourage governments of industrialised and developing countries to take seriously their obligations to upheld economic, social, and cultural rights (Human Rights Watch, 2001: www.hrw.org).

3.3.6 The end of heroism and the end of leadership

The world of today goes cripple on leadership, which is possibly the single greatest threat to long-term, sustainable development (world-wide), because true leadership is future-bound, and development is an issue for the future. Referring to leadership in the modern era in the leading nations of the world, Philip Stephens (1999: 15) has the following to say: "There are politicians. And there are politicians who change things. We live in a world of politicians. A few years ago someone proclaimed the end of history. Instead we have seen the end of heroism... Did you spot a Gorbachev or, dare one say it, a Thatcher or a Kohl?" He then continues to state that modern world-leaders are pre-occupied with their domestic constituencies. Instead of leaders set on shaping the future we have ones who promise to survive the present. "They are fire-fighters ... rather than thinkers. They can bomb Saddam and, if need be, bale out Brazil. Now and then

they feel obliged to douse the fires still raging in the Balkans. They admit they are worried about Russia. They should be terrified."

James Walsh (1993: 17) shares this pessimism when he conclude that "(a) terrible form of gridlock appears to have seized the most prominent nations, from old democracies like the U.S. to the newest, such as Russia ... As the Bible puts it, "Where there is no vision, the people perish... "In the history of the world," says Jean Lacouture, "I cannot think of a period where there have been so few great leaders. Are they here and we are not aware of them?" He doubts it. One of France's foremost historians and a biographer of Charles de Gaulle (among others) Lacouture comments, "The impotence of politicians today in trying to control the situation is very apparent. It's obvious in our country, in Europe as a whole, in the United States, in Japan. The objective force of things weighs far more than the willpower of men, of parties or political organizations."

Chris Karsten (1993: 15) regards the end of the Cold War as one of the major reasons for the lack of leadership. The Cold War has strengthen national leaders, it has necessitated discipline and control, and it has enforcement solidarity to either right or left of the political spectrum. The end of the Cold War has stemmed these factors non-avoid. The result? "Die wêreld het sy vertroue in politici verloor. Nêrens in die demokratiese wêreld is daar meer leiers wat die verbeelding aangryp nie. Dis "n klomp liggewigte wat oënskynlik doelloos in "n politieke moeras voortploeter".[3] (Chris Karsten, 1993: 15). In a recent opinion pole amongst leading American historians, President Bill Clinton was only voted the 21st best President in the history of the U.S.A. (Kettle, 2000: 20). His predecessor, George W, Bush, does not do much better – in spite of the emotional support he enjoyed as a reaction of the American population in response to the attack on the World Trade Centre and the Pentagon on 11 September 2001. Of what statute can a leader be when he allows his security personnel to fly him to safety in a bunker in Nebraska; leaving it to the mayor of New York and other strong(er) personalities in the U.S.A. to comfort and re-

[3] *Freely translated:* "The world has lost its confidence in politicians. Nowhere in the democratic world is there a leader that grasp the attention. It is light-weighted bunch that are apparently slogged on in a political swamp."

assure Americans in the hours immediately following the attacks on his country? (Burke, 2001: 13). The Economist (2001: 13) put it as follows: "It did seem a mistake ... that Mr. Bush should be harried to safety in Nabraska in the first instance, rather than to the White House or to the ruins in Manhattan or Washington. At such times the President's security ought not to be the overriding priority: exercising leadership, and being seen to do so, must come first."

Fortunately for the country, South Africa has leaders with international standing. A statement that can be regarded as outspoken proof of this was made at a recent National Summit on Africa in the U.S.A.; where former President Nelson Mandela was described as "what is right with Africa today...". (Sichel, 2000: 11).

3.3.7 The post-modern determinants for societal divine: Race and class

During a visit to Britain by Mr. Nelson Mandela in 1993 a case of the murder by a racist white gang in April 1993 of one Stephen Lawrence, a black schoolboy makes headlines. The Metropolitan Police never investigated the case, until Mr. Mandela's attended to it. A judicial inquiry was then set up, eventually issuing a report with 70 recommendations for action by the Metropolitan Police to combat racism (Duodo, 1999: 22). The British Prime Minister, in reaction to this report, promised the most far-reaching reform of race relation laws in 30 years (Webster *et al.*, 1999: 13).

However, Britain cannot be singled out in this regard, not by a long shot. For decades the government of the U.S.A. discriminated against black farmers when they applied for federal financial help. Among other things, the federal farm service agency refused to grant them operating loans and disaster benefit. For this discrimination an American federal court granted them compensation to the value of R15 billion (Mkhondo, 1999: 5). Rose (1974: 75) makes the following remark regarding the history of race relations in the American society: "(O)pportunities for Europe's immigrants, even the desperately poor, were far greater than those afforded to non-white people and, especially, blacks." One remarkable indication of the degree of estrangement experiencing by blacks in

the U.S.A. is the unnatural huge number of so-called African-Americans simply calling themselves "X" (e.g. the well-known civil-rights leader Malcolm X).

The reality of racism is not limited to Britain and the U.S.A. These two countries were merely quoted as examples, mainly due to their historical similarities with South Africa. (In their discussion on the matter (of racism), Daniels and Kitano (1970: 3) expressed the opinion that, for the purposes of their discussion, "the United States, the British Dominiums, and the Union of South Africa should be considered extensions of Europe). Neither is racism a one-way street. White-on-black racism is but the one side of the coin. The Mau Mau murders of white farmers in Kenya at the time of independence, as well as the blatant manipulation of racism by the Zimbabwean Government against white farmers as a political tool are none less unacceptable than any of the statistics quoted above. In essence it could be stated that racism remains one of the most pressing global influences that still is a major stumbling block in the way of meaningful and sustainable development throughout the world.

Racism is not the only societal divine. It seems like divisions based on class (social classification is gaining prominence day by day). Kenneth (1994: 66) remarks that a new socio-economic ranking system has developed in the U.S.A., based on the "non-American" principles of how much a person earns, where and how long they attended school, how they speak, what they wear, and how they react to issues of the day. In South Africa the growing social gap between a new well off and powerful black elite and their (often desperately) poor fellow countrymen quickly became one the country's most pressing social problems.

3.4 AFRICA AND THE WORLD IN THE 21ST CENTURY

Themba Sono (2000: 10) identifies three "classical" problems that plague democratic governance and political stability in Africa: military coups, warlordism and constitutional corruption. The OAU has recently clamped down on military coupes by threatening suspension for member states whose governments violate the democratic order by means of military coupes. Sono (2000:10)

describes warlordism in terms of mania for political power, ethnic conflict, and power as an instrument of wealth accumulation. Constitutional corruption can be regarded as attempts to misuse the constitution for un-democratic purposes.

Africa welcomed the dawn of the 21st century as a continent plagued with problems. To mentioned but two of the most serious: The ethnic-driven civil war in Rwanda where nearly half of the country's population of 7,5 million has died or dispersed (Gibbs, 1993: 20), and the civil war in Angola, where "(t)here is little evidence to suggest Savimbi has ever been willing to accept any terms (for a peaceful solution to the conflict) but his own, and even less to suggest that Unita ever had any serious idea of demilitarising" (Gordon, 1999: 10).

Africa is indeed a Continent of contradictions. Referring to countries plagued by civil war (Sierra Leone, Democratic Republic of the Congo, Congo and Angola), Jabulani Sikhakhane (1999: 33) remarks as follows: "Doing business in Africa's war zones requires nerves of steel, as most of these territories are governed by gun. To survive and prosper, you must know who's who in the zoo. But even that might not be enough: the occupants of the zoo can change overnight, and so too one's business fortunes."

In spite of all these factors, South African President Thabo Mbeki, believes in Africa. He was therefore instrumental in developing the concept of an *"African renaissance."* This renaissance (renewal) is a concept that is fundamentally based on a deep founded believe in the ability of Africans to improve their own fate, to make Africa the success story of the 21st century. Sabdia (1999: 11) put it as follows: "The greatest renaissance is that which helps all human beings to liberate themselves from the shackles of oppression, injustice, exploitation and poverty ..." Unfortunately, according to a report issued by Human Rights Watch in December 1998, the dream of a "re-birth" lies in scatters all over Africa, with the exception of South Africa, Mozambique, Mauritius and Mali (Volksblad, 1998: 7).

A key issue that impact directly on African countries" ability to finance development programmes, is the issue of *Third World debt*. According to President Festus Mogae (Botswana) African leaders are very pessimistic about

their ability to achieve meaningful economic growth without considerable debt relieve. Africa's total debt represents more than half of the Continents annual exports. Its annual debt repayments amounts to $31,5 billion (25 percent of its total exports). However, he also emphasized that African countries will not be able to find any substantial financing in future if debt relieve is not accompanied by in-depth constitutional and economical reforms (Volksblad, 1999: 1). Africa owes $227 billion (about R1,3 trillion) to Western creditors - $379 (about R2,250) for every man, woman and child in Africa (Bono, 1999: 23).

South Africa is reaching out to, and actively promote co-operation with other countries in Africa, and specifically in its own Region. Examples are negotiations for the establishment of a free trade agreement with Southern African countries (members of the Southern African Development Community) (Swart, 2000: 2), and the re-shaping of the Southern African Customs Union to ensure less trade regulations amongst participating countries (South Africa, Botswana, Lesotho, Namibia and Swaziland).

The following statistical analysis of some selective features of the African Continents give a perceptional overview of its ability to sustain long-term development initiatives (Multipedia, 1995: 1):

Opportunities:

- Has 30 percent of world's minerals
- Mines 51 percent of the world's diamond
- Mines 47 percent of world's gold
- Produce 11 percent of worlds crude petr
- Produce 58 percent of world's cocoa
- Produce 23 percent of world's coffee
- Produce 20 percent of world's groundnut
- Produce 21 percent of world's hardwood

Threats:

- Rapid population growth (610 million people in 1988; comparing with 278 million in 1960; 900 million in 2000 (growth rate = 3 percent annually)).
- Rapid urbanization (15 cities with more than 1 million people) with infrastructure to handle large number of city-dwellers.
- 27 percent of world's undernourished people are living in sub-Sahara Africa.

World-perceptions of Africa are not favourable. In the words of Kristy Wark, presenter of the BBC television programme Newsnight, "there seemed to be "something special about Africa that makes it bring trouble upon itself"" (Duodo, 2000: 24). *The Economist* is of the opinion that talk of the "African renaissance" is an illusion. New leaders in Africa are embroiled in wars, and bare statistics suggests that Africa is loosing the war against poverty and decline (The Economist, 2000: 23 – 25). It was with sentiments in mind that President Thabo Mbeki, at the occasion of the State-of-the-Nation speech on 09 February 2001 declare that "we will ensure that wars, disease and underdevelopment are no longer seen as being synonymous with Africans." Events like those unfolding in Zimbabwe do not exactly help to improve perceptions regarding the Continent. The opposition leader in that country, Morgan Tsvangirai openly accuses President Mugabe of bringing the country to the brink of economic ruin by encouraging the seizure of white-owned farm – and see this behaviour as a mechanism to divert attention away from the country's political and economic problems (Bunmi Akpata-Ohole, 2000: 11). This situation is been reflected in the recent performance of the Zimbabwean stock exchange (Games, 2000: 25); as reflected in the following table:

ZIMBABWE STOCK EXCHANGE: TRADING 2000			
	VALUE	SHARES	MARKET CAP
JANUARY	1,367,006,458	158,555,918	110.199b
FEBRUARY	1,045,186,943	130,604,229	107.789b
MARCH	1,401,675,871	309,327,033	98.210b
APRIL	744,054,516	88,481,938	87.955b
MAY	844,722,274	97,985,829	80.700b
JUNE	849,433,456	99,725,957	100.293b
JULY	363,778,879	69,699,320	92.126b
* In Zimbabwe dollars Games, 2000: 25			

During a Conference of African economic editors, the South Africa Minister of Finance, Trevor Manual outlined his perceptions on the reasons for Africa's poor standing in the world. He indicated that, if Africa's annual growth rate would have been 5 percent per year, it would have been just enough for Africans to stay as poor as they are (and the present growth rate is nor near to that target). Manual then exposed the following reasons for Africa's sorry state of development (Mphalwa, 2000: 7):

- Globalisation: About 2,8billion people (more or less half of the world population) live on less than $2 (about R13,20) a day and 1,2 billion survive on less than $1 a day. Most of these people live in Asia and Africa.
- The legacy if colonialism; which skewed economic development by extracting mainly raw materials and the failure to invest in diversifying economics or in human capital.
- A sorry record of poor governance in some parts of the continent during the post-colonial area.
- When and where rare opportunities for self-improvement present itself, patronage and even corruption have taken root.
- Persisting problems between African countries and multi-laterals / world organizations such as the IMF and the World Bank. Included in this is the tendency of multi-laterals to attempt to micro-manage African economics.

3.5 CONCLUSION

The global environment present but one side of the environment coin which influence the scope and nature of developmental goals and objectives. The other side of the coin is being represented by the environmental factors internal to South Africa. As clarified during the earlier stages of the discussion in this Chapter, these influences tends to exercise a more direct, short-term, and therefore generally a more direct influence on the identification of goals and

objectives to provide direction to the management process aimed at meaningful development.

The aspects that were identified as exercising a most profound influence on the global environment within which the South African public sector must plan – and implement development programmes, were the following:

- The technocratic nature of the complex socio-economic reality within which the world is functioning. If South Africa would fall behind in this area, and then with specific reference to the dynamic communication technology, it will not be able to be internationally competitive, and will loose out on competing for scarce resources required for development.
- A declining physical (natural) environment. Rain forests are disappearing at an alarming rate, generically modified foodstuffs have taken over shop shelves, and the world is virtually on the brink of a full-scale biological war. These are all factors that must be taken into account with development planning, as they can either benefited or threaten the cause for sustainable development.
- A rapidly, and continuously, changing world-order, characterised by a single superpower, and various nations, religions and interest groups resenting the forceful way in which this power (the U.S.A.) is execution its foreign policy. This has created severe tension in the world.
- Ideological realignment increasingly based on race and religion, rather than traditional nationalistic interests.
- An unequal economic system, with rich countries forcing their ideologies and policies on poorer countries by virtue of their economic might and their control over international financial institutions.
- The world is experiencing a serious lack of strong leadership with accompanying visionary guidance.
- Human rights and democracy is dominating the morality agenda of the world. These values are viewed as globally acceptable and individual nations must comply with it to gain access to the international brotherhood of nations.

- Perceptions of Africa as a hopeless continent have a severe restrictive impact in South Africa's ability to successfully manage its development agenda.

The global environment represents the broader, more distant influence on the management of development programmes and/or initiatives. However, influences internal to South Africa exercise a more direct influence, and will therefore be further exposed in Chapter 4.

CHAPTER 4

ENVIRONMENTAL ASSESSMENT: THE INTERNAL ENVIRONMENT

> ***"What joins all...***
> ***is the roaring current of change,***
> ***a current so powerful today***
> ***that it overturns institutions,***
> ***shifts our values and shrives our roots."***
> *Alvin, Toffler*
> *From "Future Shock" (1970)*

4.1 INTRODUCTION

In the previous Chapter, the global world in which the South African public sector must manage development initiatives has been exposed and analysed. However, the South African environment (environmental influence internal to the country) exercise a more direct and immediate impact on the ability of public service delivery agencies to effectively managed development initiatives. The single most profound event that shaped the nature and extent of development as a management phenomenon in contemporary South Africa was doubtlessly the general election of 27 April 1994. Although the negotiation-resulting-in-elections process was mainly political in nature, the effects thereof are all-inclusive. Says Fanie Cloete (1993: 6): "The transition was not only political; it is a society transition from an outdated political paradigm of social interaction to a mode of social life which is more in tune with prevailing norms and practices world-wide. This event was more than a mere moment in history; for us in Africa it was the moment which shaped the history of our generation, and the generation of our children." At the dawn of the day 27 April 1999, Andrè Brink wrote down the following memoirs of the day: "It is over. It will never be over."

South Africans represent a complex society. It is composed of a wide variety of people and cultures, and these groups are often hostile towards each other. There is no doubt that the race issue has dominated the inter-societal processes in the country over the past half a century. At the eve of the 1994 general elections, between 51 and 57 percent of white South Africans where of the opinion that whites and Africans have enough common values to create a future democratic government – which implies that between 43 and 39 percent did not (Johson and Schlemmer, 1996: 39).

Various environmental factors impact on the quest for development in South Africa. Amongst these are the following:

- Demographic factors. Factors such as the distribution of the population have a direct impact on demands placed on the country's limited resources to enable service delivery.
- Socio-economic factors. Poverty, the wealth gap and related realities of the South African socio-economic environment determine the nature and extend of development requirements in the country.
- Infrastructure. South Africa's infrastructure, or the lack and decline thereof has a real and meaningful impact on the ability of the government to effectively realised service delivery-for-development.
- Urbanisation. Urbanisation, urban decline and the impact thereof on the socio-economic circumstances of people has a direct impact on service delivery requirements in the South Africa, as well as on the potential resource-base of the government to deliver services to the community.
- Crime. Crime is South Africa's new "apartheid". It chases tourists, as well as potential investors away, and it slowly but certainly erode the country"s economy. It chases people with key knowledge and experience required for effective development out of the country, and has already destroyed a lot of what has been achieved in the country since April 1994.

Other factors that will enjoy attention in the scope of this Chapter includes:

- The loss of knowledge and experience required for meaningful development
- Literacy and education

- Political animosity
- Cultural realities and tensions
- Religion

However, this chapter will commence by analysing the change in the moral and principle foundation upon which management activities in the South African public sector are being built and organised. Although this aspect cannot necessary be regarded as a "purely" environmental influence, it will be included in this chapter as an essential reality that exercises a major influence on the way in which management activities-for-development are organised and arranged in the South African public sector.

4.2 QUEST FOR A NEW MORALITY AS FOUNDATION FOR PUBLIC SECTOR MANAGEMENT ACTIVITIES

The *ideal* norms and values that are suppose to provide the basis for the new (post -1994) South African State is expressed in the Preamble to the Constitution (Act 108 of 1996). These are as follows:

- To heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;
- To lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;
- To improve the quality of life of all citizens and free the potential of each person; and
- To build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations.

These norms and principles set out in the Constitution clearly indicate the shift in the predominant value-system in the country. This shift has been dominated by the following themes:

4.2.1Societal value shifts

A careful analysis into the values dominating the normative structure of the South African society reveals that three broad issues dominate the quest for a new morality in South Africa; namely:

- The move away from a Christian-orientated social order towards a secular state.
- The move away from Western (White) dominated values and norms in state and society towards a drive and strive for Africanisation.
- The emphasis placed on the democratisation of South Africa.
- A symbolic value-system created by the quest for national reconciliation.

(i) Christian values

Many a scholar in Public Administration has learn that one of the cornerstone guidelines emanating from community values for the practice of the science of Public Administration in South Africa is Christian values. The pre-1994 Constitution of the country confirmed that Christian values must be applied in government and administration (Cloete, 1991: 70). However, the closest that the 1996-Constitution came to recognition of official acknowledgement of the traditional Christian values of the country is the single sentence in the Preamble to the Constitution: "May God protect our people"- and then the term "God" is not directly linked to the Christian faith.

According to the World Fact Book (**www.yahoo.com/world** fact book) approximately 68 percent of South Africa"s population can be categorised as Christians. However, a liberal Constitution, which guarantees freedom of religion, has convinced the government to follow a policy of secularism. This is unfortunate, as the maintenance of a Christian orientation has placed a high moral and ethic sanction on any deliberate administrative wrongdoing, and promoted desirable attributes such as discipline and hard work.

However, officially South Africa has been transformed into a secular state. Bishop Dandala of the Methodist Church, at the opportunity of the Parliament of World religions, held in South Africa early in 2000, remarks confirmed the secular status of the country, and emphasised the belief that persons of various religions must co-exist peacefully, and that no single one of these groups must try to force their religious package on any other. He also made the statement that religion had, in the past, robbed Africans of their history, culture and names. According to him, what South Africa now needed is a religion that will enable and allow this group to heal from the wounds of the past, and become healthy, independent and strong (Maartens, 2000: 10).

(ii) Africanisation

The quest for the Africanisation of the South African society in all its facets can be regarded as one of the main themes of the current all-encompassing sweep towards total transformation in the country. Especially during the early post-1994 years, the newly elected, and appointed, government officials stressed the need to transform all aspects of South African life from a Western towards an African inclination. This aspect has gradually found philosophical expression in concepts such as the "African Renaissance," and the quest for an African Century (to be the 21st century). Thabo Mbeki, during a speech at the United Nations University (1998: 7) states that "(a)s South Africans, we owe our emancipation from apartheid in no small measure to the support and solidarity extended to us by all the peoples of Africa. In that sense our victory over the system of white minority domination is an African victory. This, I believe, imposes an obligation on us to use this gift of freedom, which is itself an important contribution to the African Renaissance, to advance the cause of the peoples of our continent".

To conceptualise this phenomenon the following informative explanation of the distinction between an "African value system" and a "Western value system" as presented by Larsen (2000: 9) can be presented:

- The soul of the traditional African philosophy of being is captured in the Xhosa proverb of *Umntu ngumntu ngabanye abantu*, meaning "people are people through other people." People live in community with their extended families and with their ancestors – the living dead. It is this existence in community context that makes people fully human.

  In contradiction to the above-mentioned, the Western approach to societal structures is one of *individualism.*

- In the traditional African context, the concept of ownership differs fundamentally from the Western perspective: The land and what is in it belong to the people who vest their authority in the elders and, ultimately, in the *ingonyama.* Thus the ingonyama trust in KwaZulu-Natal is under King Zwekathini. However, the people do not consider the king to be the owner of the land – that belongs to the Zulu people.

Koopman (1991: 60 – 61) provides an interesting perspective on the African culture and its effects on organizational efficiency in his book *Transcultural Management: How to Unlock Global Resources.* As part of his analysis, he identified the following aspects of African cultural which he regards as the Divine Will (what is right, desirable, justifiable):

- Africa shows a strong reverence for ancestors and other departed relatives who are believed to be able to affect the living.
- Africa attaches great importance to group life and social harmony.
- Africa sees that the principle of age is an important source of wisdom.
- Africa places a high value on ceremony and ritual in many aspects of social life.
- Africa places a high premium on consensus in group endeavours.
- Africa can forgive and forget very readily because of its great capacity for reconciliation event after the bitterest conflict.
- Africa regards correctness of speech and beauty as prerequisites for a high social standing.
- Africa is extremely social through its spontaneous self-expression and easy communication.

- Africa has a capacity for long suffering through patience.

On the negative side he identifies the following features of African culture:

- Africa is authoritarian. Its attachment to the symbol of Chieftainship can therefore result in the tyranny of a single person ruling in the name of the people. Human rights may suffer, and even be destroyed in the process.
- Africa places a high value on the woman being able to produce a child as a necessary factor prior to entering marriage. In the modern context, what if the economics of the country cannot sustain the tendency toward illegitimate Polygamy?
- Africa seeks its morality in some supernatural source which could potentially be harmful to cool-headed, logical decision and policy-making.

A concept closely linked with the African culture that has gained great prominence over the last couple of years, and will definitely keep on doing so for the coming years, is that of *ubuntu.* Lessem and Nussbaum (1996: 70) stated that the term is more than a mere mythology of doing something; it is a statement of being, about fundamental things that qualify a person as a person, and is closely link to he concept of "*umuntu ngumuntu ngabantu*" (a person is a person because of others). The treasure and richness of African life, culture, value system and philosophy can be traced through this concept of *ubuntu.* The roots are storytelling, work rhythm, spiritual transformation and communal history. *Ubuntu* is the key to all African values and involved humanness, a good disposition towards others, and a moral nature (Lessem and Nussbaum, 1996: 216).

(iii) Reconciliation

Reconciliation was one of the most fundamental policy objectives of the first post-1994 government in South Africa. On 18 August 1994 former President Nelson Mandela put it as follows during his budget vote in the National Assembly: "South Africans are brought together by their overwhelming commitment to reconcile the South African nation and improve its welfare (Mandela, 1994: 1618). However,

since then the masks of the so-called reconciliation policy has started to come off. The Truth and Reconciliation Committee (TRC) that was supposed to be the ultimate reconciliation mechanism largely achieved just the opposite. As (Bell, 1998: 27) put it, "(t)here has been little remorse. Rather, the trembling of the perpetrators has seemed more often the product of public humiliation brought on by the forced recollection and disclosure of evil. Of reconciliation there has been next to nothing beyond the symbolic embraces of the Archbishop (Tutu) ... and one can find no singular act or contrition that would suggest that whites have not merely been prevented from further abusing blacks, but seriously intend to make up for what happened under apartheid by a material effort that goes beyond what the new government can wring from them by way of taxes."

(iv) Democracy

The quest for the *democratisation* of the state and society has provided ground for several of South Africa's transformed value systems. The term "democracy" has been directly linked with the acknowledgement of values such as the recognition of human rights and equality in South Africa. However, the government's commitment to human rights is wearing thin at times when other interests, such as the desire to proof its solidarity with other African states is complicating the outspoken commitment to the maintenance of human rights. An example of this was when the South African government refused to curtsied the Zimbabwean government over the detention and torture of three journalists from independent newspapers publishing anti-government articles in 1999. Their motivation for this stance was that they do not have the right to interfere in the "entirely internal" matter of another country (Volksblad, 1999: 7).

4.2.2 Institutional value systems

The principles and values according to which public management must be conducted have been substantially transformed since the coming-about of the new South Africa. In this regard the stipulations of Section 195 of the Constitution, 1996 contains a number of morally founded values according to which public administration must be conducted, namely:

- A high standard of professional ethics must be promoted and maintained.
- Efficient, economic and effective use of resources must be promoted.
- Public administration must be development-oriented.
- Services must be provided impartially, fairly, equitably and without bias.
- People's needs must be responded to, and the public must be encouraged to participate in policy-making.
- Public administration must be accountable.
- Providing the public with timely, accessible and accurate information must foster transparency.
- Good human-resource management and career-development practices, to maximize human potential, must be cultivated.
- Public administration must be broadly representative of the South African people, with *employment and personnel management practices based on ability, objectivity, fairness,* and the need to redress the imbalances of the past to achieve broad representation.

Section 197 extend on the above-mentioned principles by stating as follows:

- Within public administration there is a public service for the Republic, which must function, and be structured, in terms of national legislation, and which must loyally execute the lawful policies of the government of the day.
- The terms and conditions of employment in the public service must be regulated by national legislation. Employees are entitled to a fair pension as regulated by national legislation.
- No employee of the public service may be favored or prejudiced only because that person supports a particular political party or cause.

Provincial governments are responsible for the recruitment, appointment, promotion, transfer and dismissal of members of the public service in their administrations within a framework of uniform norms and standards applying to the public service.

4.3 DEMOGRAPHIC ENVIRONMENTAL REALITIES IMPACTING ON THE MANAGEMENT OF DEVELOPMENT INITIATIVES IN SOUTH AFRICA

The term "demographic environment" refers to factors such as the population density of the country, and the available space for growth and development (for example, the availability of land for infrastructure, the usability of available land to sustain its population) (Concluded from Campbell, 1997: 411).

High population growth in itself remains a problem, however, and a serious stumbling block in the realization of effective development management worldwide.

South Africa's present population growth rate is 2,6 percent per annum; which means that the country's population will double within 25 years (Eko-feite, 1993: 3). This will have serious socio-economical implications. (A comprehensive exposition of South Africa"s demographic data is contained in Schedule II).

However, HIV / AIDS must be regarded as the changeable aspect in this regard: Expected deaths resulting from the disease might cause the annual growth rate in the South African population to decrease to 1,35 percent; which means that the South African population growth will gradually reduce. The under-mentioned schedules confirmed this trend (Altenroxel, 2000: 3).

DEATHS BY AGE GROUP AMONG REGISTERED VOTERS

Since registration for the last national election

Age	16-17	18-19	20-29	30-39	40-49	50-59	60-69	70-79	80-	Total	HIV rate
E Cape	11	152	4136	6373	6555	7179	10283	10992	8630	54311	18%
FS	1	42	3391	6959	5750	4809	4717	4224	3588	33481	27,9%
GP	3	119	9094	16593	13819	11604	10624	9615	7184	78655	23,9%
KZN	2	144	10856	17042	12978	11987	12522	12368	7697	85596	32,5%
MP	3	60	3175	5209	4546	4151	4167	4277	3628	29216	27,3%
NC	0	27	812	1464	1612	1777	1963	1746	1259	10660	18%
NP	1	73	2034	3135	3294	3502	4659	5665	5674	28037	11,4%
NW	3	41	2801	5141	4533	4022	4360	4617	4108	29635	23%
WC	1	67	2550	3729	3730	4411	5830	5533	3953	29804	7,1%
Total	25	725	38849	65645	56817	53442	59134	59037	45721	379395	22,4%

Age group 16-49 total: 162 051. At present half the deaths in this age group are HIV related.

4.4 SOCIO-ECONOMIC FACTORS IMPACTING ON THE MANAGEMENT OF DEVELOPMENT INITIATIVES IN SOUTH AFRICA

A wide variety of socio-economical factors impacts on the demand for public services and goods, and the ability of public service delivery agencies to meet these demands and expectations. These two (social and economical factors) are interrelated. The social conditions in a country are directly related to availability of economically generated resources to support the general welfare of a country's population.

Although the socio-economic conditions prevailing in South Africa that exercise an influence on the ability of public service delivery agencies to management development initiatives are numerous and complicated in nature, the following has been identified as prominent, and will thus shortly enjoy attention:

4.4.1 Overview over the South African economic situation

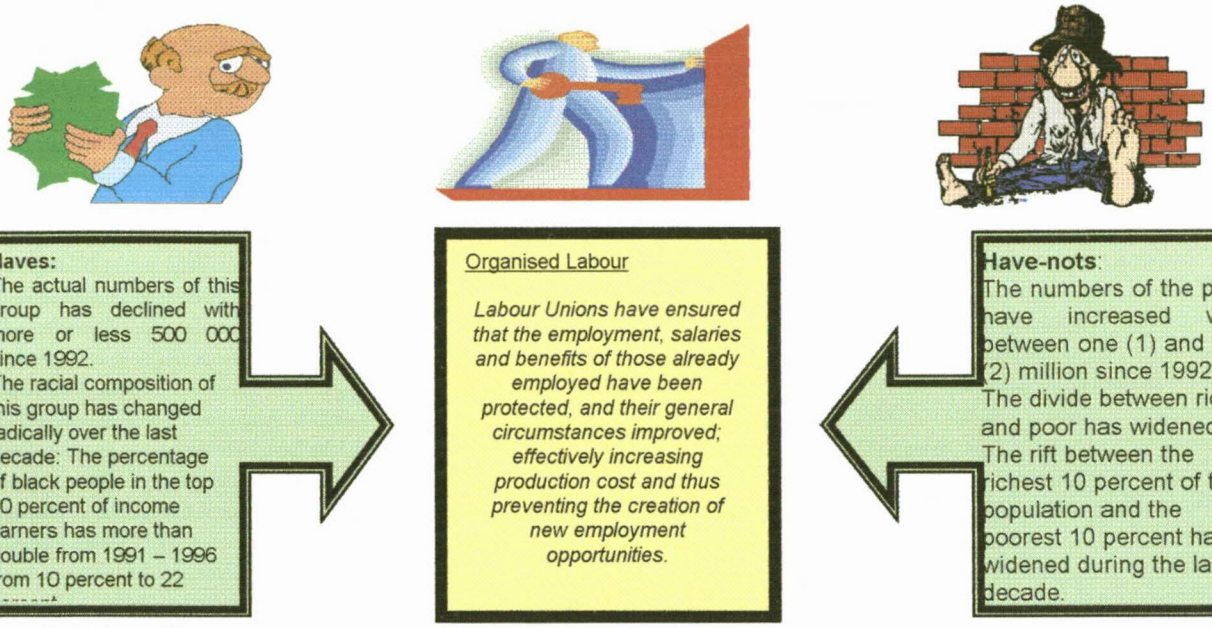
South Africa has gone through a post-1994 period during which various government institutions or spheres of government experienced financial problems. The following serves as examples:

- KwaZulu-Natal, the Free State, and the Northern Province have all been placed under control of the National government after they experienced serious cash flows problems (Smith, 1999: 2).
- Government had to set aside R100 million to address the transitional costs of municipalities (Loxton, 2000: 5).
- Various municipalities where on the brink of financial collapse at the one or other time.

However, the Intergovernmental Fiscal Review published in 2000 has indicated that the financial position of the Provinces has improved remarkably. The Provinces had recorded net surpluses of R 549 for the 1998/99 financial year, and R3,038 billion for the 1999/2000 financial year after shortages of R3 billion for the 1996/97 - and R5,5 billion for the1997/98 financial years respectively (Van Tonder, 2000: 1).

4.4.2 The awaiting time-bomb: The "have" versus the "have-nots"

A huge rift divides the South African society. On the one hand you find the "haves." This group consists of the employed, the owners of businesses, and people with a good income, a home and a good standard of living. On the other hand is the "have-nots." This group consists of the poor masses of South Africa: The unemployed, plagued by crime, illnesses and general misery (Rautenbach, 1999: 13). Consider the following graphic presentation in this regard (base data from Rautenbach, 1999: 13):



Rautenbach, 1999: 13

Unemployment is a serious socio-economical problem in South Africa, and one of the major causes of numerous related social problems such as crime, suicide, and so forth. In an article dealing with alcohol, unemployment and broken relationships in the Northern Cape, Cullinan (2000: 15) puts it as follows: "The normal law-and-order approach simply fails to address the socio-economic and personal dimensions of violent crimes; (including) the frustration caused by unemployment". According to statistics issued by Statistics South Africa in May 2000, South Africa did not experience a serious loss of job opportunities in 1998 (October 1998 was the base period for the survey); but new job-seekers found it increasingly difficult to find employment. South Africa's official unemployment rate increased as follows:

1996: 19,3 percent

1997: 21 percent

1998: 25,2 percent

According to the survey, the number of people with jobs increased from 9,3 to 9,4 million. Job opportunities in the formal sectors of the economy decreased, while those in the informal sector increased from 1 million to 1,3 million. The economically active population increased from 11, 5 million in 1996 to 12,6

million in 1998. In the same period, the number of unemployed increased from 2,2 million to 3,2 million.

If the broad definition of unemployment is considered, black women in rural areas are the worst hit of all sectorial groups in the countries. Amongst this group, unemployment stands at 59,6 percent. Clear distinctions between demographic groups can be identified:

- 33,4 percent of black people and
- 4,5 percent of whites was unemployed in 1998.
- Unemployment of Indians and Colored were less than under blacks, but more than under whites.
- In rural areas, 39,9 percent, and in city-areas 37,4 percent of people was unemployed.

According to the survey, 76 percent of all households have lived in formal housing in 1998. Some 14 percent has lived in informal (squatter) housing, and 28,3 percent in traditional housing. Access to services such as running water, electricity, etc. has

increased in both rural -, as well as urban areas: In 1998 it was 64,1 percent of households, and in 1998 66,7 percent (Von Burick, 2000: 1).

OFFICAL UNEMPLOYMENT RATES (EXCLUDING MINING SECTOR: OCTOBER 1996, 1997, 1998

Gender Population group and type pf unemployment rate	Urban male (percent)	Urban (Female) (percent)	Non-urban male (percent)	Non-urban (Female)	Total male (percent)	Total female (percent)	Total (percent)
All population groups							
Official unemployment rate 1996	15,1	22,2	20,7	31,7	16,8	24,8	20,3
Official unemployment rate 1997	16,8	24,4	22,4	32,4	18,4	25,6	22,0
Official unemployment rate 1998	20,5	27,2	28,0	37,0	22,9	30,2	26,1

EXPANDED INEMPLOYMENT RATES: OCTOBER 1996, 1997, 1998							
Expanded unemployment rate: 1996	23,9	35,1	37,5	54,6	28,3	41,4	34,4
Expanded unemployment rate: 1997	25,2	37,6	42,0	59;5	30,7	45,2	37,4
Expanded unemployment rate: 1998	28,5	39,3	41,1	56,7	32,7	45,4	38,6

Von Burick, 2000: 1

The above-mentioned table confirmed the trend of growing unemployment in South Africa (from 20,3 percent in 1996 to 26,1 percent in 1998). Rural (non-urban) women are especially bad off in this regard.

- *Black economical empowerment* is another characteristic of the South African socio-economical environment. A number of active interventions in the normal system-flow of the South African economy were made to enhance black economic empowerment. Measures were built into the public service's tendering procedures to advantage previously disadvantaged businesses (Small and Medium Sized Enterprises). Important progress has been made in this regard. One of the most visible of these is the black-controlled NAIL[1], which is one of the financially strongest companies on the JSE. Eric Molobi, chairman of Kagiso Trust Investments (Molobi, 1998: 16), put it as follows: "With regard to black economic empowerment, I do not think that it should only be regarded in the narrow sense of ownership of equity. Not every black person will be able to become a stakeholder in Anglo American or any other big company.

  "There must be a greater understanding of what black empowerment is all about. For example the present government's Public Works Programme is an important contribution to black economic empowerment. If you task people in rural areas such with the construction of the Maputo Corridor, the construction

[1] New African Investment Limited

companies should use labour form the local communities. In this way, people earn a living and are therefore empowered. Empowerment comes in many forms. Giving people access to training and knowledge is an important form of empowerment."

The growing gap in wealth between the new black middle and upper-class, and the poor masses, is another problematic socio-economic reality in South Africa. An affluent, wealthy black upper-middleclass, mostly beneficiaries of the aggressive application of the policy of affirmative action, is increasingly a thorn in the flesh of the unemployed, uneducated black masses who experienced very little of the benefits of the newly found political freedom. The black youth (especially the unemployed group) is increasingly sceptic (and angry) about the true intentions of the government to redistribute the country's wealth, and a growing feeling exist amongst them that the government is too eager to "reconcile" with the historical oppressors, and are not serious enough about advantaging black people.

The irony is that the white youth, on the other hand, is equally dissolute. Affirmative action, and a lack of prospects, have left them without inspiration and totally dissolute. An unemployed white MBA student reflects the general feeling amongst this group as follows: (freely translated from Afrikaans): "The older generation that caused the apartheid-mess sit with their packages and pensions. And we must pay the price" (Esterhuyse, 1999: 11).

In the Afrikaner society, this debate was thrown into the open by the so-called "Boetman-dabate," where the issue related to the fact that the generation of white men between 30 and 50 was the group responsible to maintain a order (by doing national service, for instance) is now also the generation that is most severely affected by affirmative policies. The older generation, who most benefited from the apartheid system had already achieved high-profile positions and/or received fat severance packages (Broadly derived from Louw, 2000: www.burger.com).

- *Corruption:* Corruption has reached epidemic proportions in South Africa – although the popular opinion is that corruption was always a problem in the

country; the suppression of information regarding the extent thereof in the previous dispensation just prevented the public from being aware of the extent thereof. Be as it may, the present situation is unacceptable. In preparation for this study, the author collected information on a wide variety of topics over quite a long period of time. Adequate and contemporary information in respect of most topics were quite hard to come by. However, with regard to crime and corruption the overflow of information was just enormous. Hardly a day went by without extensive reporting on crime – and corruption issues in about all the major newspapers in the country.

Tough provisions that will criminalize the abuse of public office for personnel gain will be included in new anticorruption legislation for the first time in draft legislation presently being negotiated between the African National Congress and the Democratic Party (Hartley, 2001: 2).

4.5 INFRASTRUCTURE ANALYSIS

Infrastructure refers to "a nation's basic system of transportation, communication, and other aspects of its physical plant... For developing countries, building an infrastructure is a first step in economic development". (Mutlipedia, 1995: 1). A report issued by the Development Bank of Southern Africa (Infrastructure: a Foundation for Development) shows considerable economic and social returns as a off-spring for infrastructure creation. For every R1billion spent on infrastructure, gross domestic product rises R945 million and 20 000 jobs are created (Heymans and Thorne-Erasmus, 1998: 11).

South Africa was traditionally known as the country in Africa with the best-developed infrastructure. Decreasing budgets for maintenance have, however, led to the deterioration of existing infrastructure. An article in *The Star* (1999: 8) put this situation in perspective: "A budget time bomb is ticking for South Africa in the new millennium because it is not spending enough money on maintaining vital public sector assets such as roads, hospitals, police stations and clinics."

Some statistics relating to infrastructure in South Africa (Hutchinson Educational Encyclopaedia, 2000: 2):

- International airports: Cape Town, Durban, and Johannesburg.
- Domestic airports: Six, 212 public aerodromes; total of 17 103 million-passenger km's (1997).
- Railroads: Total length: 21, 595 km; total passenger km's: 71, 573 million (1993)
- Roads: Total road network: 331, 265 km, of which 42 percent is paved (1995); passenger cars: 85, 6 per 1, 000 people (1996 estimate).

4.6 URBAN DECAY

Urbanization is a common phenomenon in developing countries throughout the world and throughout the ages. Webster's World Encyclopaedia 2000 (1999: 39787) describe the term "urbanization" as "(t)he demographic process whereby an increasing proportion of the population of a region or country live in urban areas, particularly a country's largest urban settlement. It is characteristic of economically advancing nations, where it is occurring at a much faster rate that it did historically in the developed (Western) world. Urbanization is linked to industrialization, though large urban areas did of course exist before the Industrial Revolution." (See the attached overview on urbanization in SA – schedule III).

One of the major challenges created by increasing urbanization in South Africa, is the coming about of so-called informal settlements, or popularly known as squatter camps. The infrastructure in these neighbourhoods are (in general) very poor; a situation made worse by years of forced racial segregation, during which period the government was all but exclusively interested in developing so-called white urban areas, and very little resources were allocated to non-white urban areas. This situation was further worsened by the fact that these squatter areas where often the battlegrounds of urban uprising in response to the oppressive racial policies of the former government.

Another urban phenomenon, and one where South Africa is clearly following suit to the example set by other mega cities world-wide, is the *decline of inner-city* areas. Capital losses of R 25 billion was written off in inner-city areas in a five year period in South Africa's four biggest cities, and R400 million rent-money was lost (Muller, 1998: 10-11). Businesses and other people traditionally renting these facilities have increasingly moved to the suburbs for the following reasons:

- businesses trying to lower building costs,
- moving closer to their employees" residences, and
- moving away from areas characterized as crowded and crime-ridden (Goldberg, 1998: 82).

JOHANNESBURG OCCUPANCIES CRASH

Office spaces grade A & B

	Vacancies in percentage (percent)				
	Feb.'98	**Nov.'97**	**Aug.'97**	**May'97**	**Feb.'97**
Johannesburg CBD	20,7	21,6	16,0	18,8	16,1
JHB suburban	7,4	6,8	6,7	6,0	6,6
Cape Town CBD	6,2	6,7	6,6	7,2	8,2
CT suburban	1,5	1,9	1,7	1,6	1,5
Durban CBD	14,0	13,1	13,2	14,2	11,7
Durban suburban	3,8	5,3	13,7	3,3	4,0
Pretoria CBD	15,3	16,5	15,7	14,0	19,7
Pret. Suburban	5,5	6,4	7,6	6,5	5,9
Sandton CBD	4,6	3,4	3,3	3,5	5,8
Sandton suburban	6,6	6,0	5,8	4,7	6,7

Goldberg, 1998: 82

RENTAL – CENTRAL BUSINESS DISTRICT – OFFICE SPACE

Grade A (R/m3)

	1997 4th quarter	1996 4th quarter	Percent change
JHB CBD	22,88	31,16	-26,6
Pretoria CBD	31,02	26,73	16,0
Durban CBD	38,50	35,25	9,2
Cape Town CBD	36,78	31,29	17,5
Sandton CBD	54,17	44,25	22,4

It is clear from the above-mentioned table that the demand for inner-city accommodation has decreased consistently over a period of time. As a result the commercial value of these properties has fallen, and all indications are that this tendency will continue for the immediate future.

The social impact of these realities is immense. For instance, since the late 1980s there has been an influx of poorer black and coloured people, including immigrants, into inner-city neighbourhoods of Johannesburg (Berea and Hillbrow). The main reason is greater proximity to work. The Greater Johannesburg Metro Council estimates that there are some 160 000 people living in more or less 42 000 flats in these areas (Nwandiko, 1999: 6).

Social conditions in most of these areas are appalling. In Mayfair, Pageview and Fordsburg some landlords are renting off a fortune from their tenants by packing

them into small houses and rooms and then charging them exorbitant rents. In one particular three-bedroom house at 52 Somerset Road, Mayfair visited by the Star newspaper after complaints by neighbours, 24 people were living in terrible conditions. Even the kitchen has been rented out. Tenants were charged R200 per person per month. There was just one filthy bathroom available. Outside rooms have been built on, for which no planning permission has been given, and neither did they comply with legal health and safety regulations. The owner did not pay the municipal account (of more than R 30 000) and the electricity to the place was cut off for a while (West, 1999: 11). This is but one example of the extremely poor living conditions in some inner-city areas in the country. Elliot Sylvester (1999: 6) remarks as follows regarding the conditions in Hillbrow: "Hillbrow – like New York with its many boroughs, each home to a distinctive ethnic group – has segregated itself into an African microcosm, riddled with crime and placing the estimated 300 000 populace often beyond the protective reach of the understaffed and overworked police.

"The inadequate policing has forced certain nationalities to band together in protective pockets to secure whatever means of survival they wish to choose – whether it be legitimate importing and exporting, prostitution or the longstanding drug trade.

"Like New York's infamous housing projects, Hillbrow's rows of grimy, leaking buildings line the constantly buzzing streets like towering gravestones.

Permanent characteristics of South African cities these days are the ever-presence of *street children, beggars and a new species of so-called car-watchers.* These are all signs of desperate poverty and social decline. Greig (1998: 13) put it as follows: "Social discomfort caused by begging has become part of the fabric of the South African commuting experience." A new phenomenon in South African cities is the presence of so-called (informal)"car-watchers." These people are present at nearly every major (and minor) shopping centre, and watch your car for a tip while you are doing your shopping.

One of the most important initiatives in respect of city administration in South Africa has been introduced when the new mega-city idea initiated by the

government took effect. Without going into the pro-or-con debate on the issue, it can be stated that the principle on which the concept will be based, is that a number of cities and towns in a specific region will be grouped together (cities-as well as towns) to form a mega-city administration. Each mega-city will have a mayor entrusted with far-reaching powers (Coetzee, 1998: 14-16).

- See schedule IV for particulars of the housing situation in South Africa, according to the most recent available nationwide statistical analysis done in 1995.

4.7 CRIME: A COUNTRY UNDER SIEGE

Where state - practiced racism was the reason for a lack of economic growth and social stability in South Africa the past five decades, a crime wave submerging the country play this role at present. In the Western Cape, gangarism on the Cape Flats and other neighbourhoods has the local communities captured in a grip of fear. The reaction of certain community organizations such as the fundamentalist Muslin organization *Pagad* (People Against Gangarism and Drugs) worsened the situation further with their semi-paramilitary response (although this organizations true agenda seemingly stretched much further than the fight against drugs and gangerism; as is evident from a number of bomb-attacks in the Cape Town area, apparently in sympathy with the plight of other fundamentalist Muslim organizations elsewhere in the world). An article in the Saturday Star (9 January 1999) put it as follows (Vogel, 1999: 7): "A Saturday Star investigation found a community (Westbury) whose lives have been shattered by years of killings and the inevitable revenge attacks. Mistrust among residents, and sometimes even the closest of friends, is the sad result.

Families have been split: one brother might be a gangster and the other a police reservist".

Crime in South Africa has became a viable career option; an opportunity to escape from desperate poverty and unemployment. Cash-in-transit robberies, where security firm's vehicle, transporting large amounts of money, is regularly

robbed, are common in South Africa. Possibly the best known of these robbers, Collin Chauke, escaped twice from detention, and played cat-and-mouse with the police before he was eventually arrested again; not a very efficient deterrent for prospect cash-in-transit robbers (The Citizen, 1999:16).

Political violence was traditionally one the most serious, and toughest forms of crime to handle in the country. South Africa was used to political violence during the apartheid-years. With the coming-about of the peaceful political settlement, however, legitimate expectations were high that it was something of the past - especially in KwaZulu-Natal, where violent clashes between supporters of the ANC, the UDM and Inkatha were common. At one stage the most serious problem was the situation in Richmond, where inhabitants of the ANC-controlled Ndaleni Township, and the United Democratic Movement (UDM) -controlled Magoda were involved in horrific violent clashes. Political opponents in this town assassinated Sifiso Nkabinde, an important leader of the United Democratic Movement in 1998, followed by months of violent retaliation and constant killings (Stofberg, 1999: 9).

South Africa has one of the highest numbers of murders per capita in the world. In February 1999, 35,5 out of every 100 000 people in the country were the victim of car hijacks, and 627,2 out of every 100 000 persons were victims of housebreaks. Drug-related crimes were 103 of every 100 000 persons and the unlawful possession of firearms were 31,8 out of every 100 000 persons (Die Volksblad, 1999: 4).

Statistics regarding transit robberies in South Africa are as follows (De Bruin, 1999: 6):

	1998	1999
Eastern Cape	12	25
Free State	4	9
Guateng	29	51
KwaZulu-Natal	32	52
Mpumalanga	4	10
North West	7	41

Northern Cape	1	0	
Northern Province	15	22	De Bruin, 1999: 6
Western Cape	10	20	

Taxi violence and farmer-murders are other serious crimes in the country. Since 1994, more than 800 farmers have been murdered (Die Volksblad, 2000: 2). For the period 01 January 1998 – 20 January 1998; in less than a month, 740 attacks took place in which vehicles and firearms were stolen, and 356 workers and farmers were injured (Chandler, 1999: 5).

A serious problem with crime in South Africa is the involvement of the people who are suppose to fight crime. (Consider the statistics on crime in which police officers were involved contained in the schedule V).

The above-mentioned is only "formal" crimes, and does not include statistics on white-collar crimes. During the opening of Parliament in 1999, former President Mandela describe the South African community as "sick" due to the enormous extent of corruption (Die Volksblad, 1999: 7).

- See the attached Schedule VI for comprehensive crime statistics.

4.8 BRAIN DRAIN

South Africa is draining from essential people with crucial knowledge and expertise required for the development (and maintenance) of the country. In late 1998, at least 35 percent of South African medical practitioners, and even as much as 50 percent have indicated that they intend to immigrate within five years (Die Volksblad, 1999: 2). One of the major reasons for this tendency is the introduction of obligatory one-year community service for medical students in South Africa (Die Volksblad, 1999: 5).

South African immigrants are regarded in high esteem, which make them desirable candidates for immigration, and further worsen the brain drain. In Australia, South African immigrants earns 105 000 Australian dollar per annum; significantly more than the 38 000 of the average Australian (Bennet, 1998: 1).

During 1998, only 307 professional people from other countries have immigrated to South Africa, in comparison to the 1 117 in 1993 (Die Volksblad, 1999: 7). This means that South Africa experienced a serious loss in knowledgeable persons with key expertise. There are already some 380 000 South Africans in other countries throughout the world; with at least half of them leaving the country after the so-called "brain-erosion" (after 1990). In 1996 and 1997 more than 23 000 South Africans have left the country for Australia, America, Britian, Canada and New Zeeland. In 1998 this number has increased to 33 500, an increase of 31,43 percent (Rademeyer, 2000: 12).

South African leaders, such as President Thabo Mbeki, different from some other African leaders, such as Mr. Robert Mugabe of Zimbabwe, who has even gone so far as to request productive framers in his country to leave, acknowledge the importance of retaining competent and qualified persons; as is clear from President Mbeki's message during the introduction of the Foresight-project (aimed at ensuring that South Africa keep up with technological advancement in the world). At this opportunity, Mr. Mbeki requested expatriates, especially scientists, researches and academics, to return to Africa and South Africa (Beukman, 2000: 9).

- See Schedule VII for comprehensive statistics on immigration and the brain drain from South Africa.

4.9 LITERACY AND EDUCATION

Education in South Africa is in a crisis, to put it mildly. Not only are matriculation pass rates dropping year-after-year, but the situation is further worsened by corrupt attempts to improved it by illegally improving marks (the Mpumalanga matriculation scandal of 1998). Take as an example the following four schools where a 0 percent matriculation pass-rate was recorded a few years running; namely Monamodi Matsepe and Serole Tshidi Secondary School in the Northern Province, Sokesinbone High in KwaZulu Natal and Dalibunga Comprehensive

High School in the Eastern Cape. Reasons for this desperate situation are (amongst other) as follows (Pretorius, *et al.*, 2000: 24-25):

- The schools are overcrowded (at Dalibunga High School there are only two classrooms for the whole school (two years ago enrolment stood at 200; which has dropped to 154 the next year, and 70 at present)).
- A shortage of teachers and other resources such as textbooks.
- A lack of running water, phone lines and electricity.
- Pupils cannot concentrate because of poverty and subsequent hunger.
- The pupils come from impoverished communities, where traditional family structures and discipline had all but disintegrated.
- Teachers travel up to 400km per day to and from school, and thus don't have time or opportunity to adequately attend to pupils, or parents" problems.

The situation at schools in former so-called "locations" (townships) is, in general all but satisfactory. Consider the following case: A group of pupils at one of the oldest schools in Soweto (Madibane High School) assaulted a teacher in front of the principle and three inspectors in the headmaster"s office in January 2000. She later on said that pupils at the school were a law unto themselves. Amongst the allegations made in the dossier that she wrote to the MEC for Education in Guateng, the following are mentioned as examples of the situation at the school (Mbete, 2000: 6):

- Some members of the Congress of South African Students (Cosas) who assaulted the principle in 1989, are still at the school and have not shown any academic improvement;
- If a fellow student die, boys use contributions for the bereaved family for their own ends, including buying drugs;
- In 1996 Cosas demanded that students be refunded their school fees;
- In 1997 some teachers received loans from the school's reconstruction and development fund;
- One of the teachers is seldom present and runs the principle's private errands during working hours;

- The principle has failed to act against Cosas for disrupting the learning process;
- Pupils smoke dagga at the school; and
- Two pupils refused to cut their dreadlocks even though this was against school policy.

The above-mentioned example might be an isolated case with regard to the extent of misconduct identified, but it is by no means unique as so far as the reality of a breakdown in discipline and general standard of learning in South African schools are concerned. And this situation is not only limited to schools. Gutuletha Maqetuka (1999: 6) sums up the crisis at institutions of higher learning in the country as follows: "The financial crisis bedevilling institutions of higher learning, more so those that have historically been the beacon of hope for disadvantaged South Africans, is a major cause for concern... That these universities have been left to degenerate to such depths is an indictment on those who have been entrusted to manage them, the education ministry notwithstanding.

Factors such as the ever-escalating student debt, corruption and mismanagement have been sited as the major causes for this state of affairs. Trouble is that as much as these symptoms are talked about nothing is being done to turn the tide."

- Schedule VIII contains particulars of South Africa"s educational situation in comparison that that of selected other countries.
- Schedule IX contained particulars of the educational situation in South Africa, according to the latest census information.

4.10 POLITICAL ANIMOSITY

"The success of reconciliation and nation building will depend on all sectors of the South African community to acknowledge that apartheid was a crime against humanity," said former President Nelson Mandela in Parliament during a debate

on the Report of the TRC[2] on 25/06/1999 (Die Volksblad, 1999: 2). "The South Africa of yesterday is now black-ruled, and the ongoing objective of the ANC government is to eliminate white influence, white reputations, and the white contributions to the country ... The future role of the whites is to shut up and pay taxes," is the bitter words of a white reader to the Citizen (1998: 6).

On the other side of the imaginative societal divine the situation looks even worse: Consider the following quotation: "Desmond Tutu ... made the point that "young children learn hatred and bitterness when they sit at night and listen to their mothers and fathers talking about the indignities suffered during the day because they are black." Black leaders were using euphemisms when they talked of resentment and frustration. "What is filling black hearts more and more is naked hatred"(Kan-Berman, 1978: 47). Dr. Makaziwe Mandela, daughter of former President Nelson Mandela has the following to say at the time of her inauguration as chief executive manager of the Development Bank of South Africa (Rapport, 1999: 4): "The most semi-state institutions, even this one, had to pamper the Afrikaner (in the past). Most whites were given appointments because of the colour of their skins, and they even make sure that their retarded children obtain posts in such institutions." Regardless of the merit of the words, the underlying tone thereof clearly sends out a message of racial dislike (to put it mildly). On the other side of the coin, reference can be made of the persistent racial, humiliating way in which a large proportion of farmers in South Africa still treat their black workers. For instance, the Human Rights Commission found claims from a black woman that a white man forced her to climb into a coffin half naked after he caught her stealing wood on his farm. According to the same report of the Commission, widespread distrust of the criminal justice system exists amongst farm workers. People testified to being held without charge for long periods for minor offences like trespassing. Courts often fix unaffordable bail. People also complain about double standards with the processing of complaints from farm workers and farm owners (Sowetan, 1999: 2).

[2] Truth and Reconciliation Committee

These kind of conflicting statements are typical of the feelings in modern-day South Africa: Blacks strongly believe that apartheid has denied them their birthright to deal in the opportunities of the country, entitling them to preferential treatment for many more years to come. White people, on the other hand, are dis-empowered and fearful of the future. All of this is the result of three hundred years of political division and hostility.

The TRC was arguably the most controversial, and nevertheless the most important event manifesting itself in South Africa during the 1990"s. The purpose of the Committee was to promote reconciliation in South Africa via a process of aimed at full disclosure of the atrocities of the "apartheid" period. The Committee was established in terms of Act 34 of 1995 *(Promotion of National Unity and Reconciliation Act).*

Statistics on the activities of the Committee can be summarized as follows (Brynard, 1998: 20):

- Nearly 21,000 victims testified before the Committee regarding gross human rights violations (27,000 names were placed on the records).
- The expected 2,000 applications for amnesty have increased to 7,000 (54 percent from the ranks of the ANC, 20 percent from the ranks of the former government and state apparatus, 12 percent from the ranks of the PAC, 9 percent from the ranks of the IVP and 5 percent from supporters of far-right groups).
- In the process, 90 graves were digged up, and another 200 were on a list to be open up at the time of the completion of the Committee's Report.

Whether the Committee succeeded in bringing about reconciliation is an open question; mostly open to individual interpretation. Some supporters of the former government regarded it as an inquisition aimed at revenge, while some former liberation strugglers and their next-of-kin regarded the Committee as a method that proof too little to soft to bring about real justice.

Examples of politically-inspired racial clashed in South Africa are numerous; to mention but one, reference can be made to the conflict at the Vryburg school; where a white school-boy was eventually stabbed in the neck with a scissor by a

black boy (Beeld, 1999: 10), resulting in the black boy being sentenced to effectively two years in prison for attempted murder, and black civil organizations rejection this judgment (passed by a white magistrate) as racist. On the other side of the coin, the racially inspired incident where a white man killed three black persons and wounding four others after boarding a Pretoria bus and started firing at random, can be mentioned (Momberg et al, 2000: 1).

Racism, with all its political implications, remains one of the most pressing dividers in the South African society. During a Conference on Racism in August - September 2000, dr. Pallo Jordan reacted to critique that the conference focused on white racism, and ignored black racism by questioning the very existence of black racism; stating that the existence of black-on-white racism must first be proven, and thus implying that no black person can be (or is) racist (Retief, 2000: 7).

Fact of the matter is, that in a country with severely limited resources (such as South Africa) the advancement of one group inherently implies the dis-advancement of another. And that is exactly what happened in South Africa, unfortunately (again) along racial lines: In order to advance the plight of the previously disadvantaged of the black population groups in the country, the government implemented policies and actions that disadvantaged the previously advantageous white interest groups. In the process one marginalized group has simply being replaced by another.

4.11 RE-DEFINED AND RE-ASSESSED PATTERNS OF CULTURAL INTERACTION

The Webster's World Encyclopaedia 2000 provides the following basic statistics of cultural groups in South Africa:

- Ethnic groups: 75,2 percent black, 13,6 percent white, 8,6 percent colored and 2,6 percent Indian.

- Religion: 68 percent Christian (includes approximately 60 percent of blacks, 40 percent of Indians and more than 90 percent of whites and coloreds). Muslim: 2 percent, Hindu: 1,5 percent, Traditional and animistic: 28,5 percent.
- Languages: 11 official languages, including Afrikaans, English, Ndebele, Pedi, Sotho, Swazi, Tsonga, Tswana, Venda, Xhosa and Zulu.

One of the most pressing issues in the South African cultural environment is the *challenge of multi-langualism.* As early as 1993, during the constitutional negotiation process, high-profile Afrikaans spokespersons, such as Mr. Tom Vosloo (executive Chairman of *Nasionale Pers*) expressed the opinion that Afrikaans must maintain its position at the time, especially in the public service (Britz, 1993: 3) The eventual result of the negotiation process was Section 6 of the Constitution of the Republic of South Africa, 1996, enacting eleven languages as official languages for the RSA. This creates practical problems in the organizational setting, however, and various organizations, both public, as well as private, have since decided to accept only one language for the purposes of formal communication; namely (mostly) English. This policy has met with increasing resistance and Pansat (the Pan-African Language Board) is increasingly demanding that organizations must make arrangement for the advancement of languages other than English.

Cultural polarization and racial stereotyping is another problematic cultural phenomenon in South Africa. In the century since the end of the Anglo South African War ("Boer War") Afrikaans and English-speaking whites could not even bring themselves to truly reconcile; what then can be said about the deep divisions between the different races in the country? Although there are deliberate efforts from all sides of the cultural divine to maintain sound inter-cultural relations, this is often artificial. Just underneath the surface, racial and cultural groups are divided by a deeply rooted mistrust and suspicion. One important phenomenon in this regard that is important for the purposes of this study is the place and position of so-called "Afrikaners" in the South African society. One area where Afrikaans speaking people are making their mark, to a

growing extent, is in the economic field. Consider the following statistics (Joubert, 2000: 7):

- Afrikaans speaking people control more than 40 percent of shares on the JSE; which represents an increase of 10 percent in less than 3 years.
- Afrikaans speaking people heads 42 percent of all companies in South Africa specializing in information technology.

Young Afrikaners are increasingly becoming entrepreneurs, rather than to follow the traditional path of looking for employment in the formal sectors of the economy.

However, divisions within the Afrikaner community has again became apparent with the launching of campaign by some prominent whites (Afrikaners) to get as many whites as possible to sign a declaration in which they undertake to work, and contribute their material resources to "pay" for their "apartheid skuld" (apartheid debt). Although some influential Afrikaners supported the campaign, some others from all spheres of life refused to do so (Waldner, 2000: 1).

Another controversial issue in the South African cultural environment is that of *national symbols.* Six years after the 1994 elections South Africa has not yet reached finalization regarding its national anthem. In 1998 Pansat expressed its dismay at the then newly presented anthem because it was available only in English (Gunning, 1998: 6). The South African national flag, and the newly introduced coat of arms seems to be in line with the country's national leaders" commitment to reconciliation. Willie Esterhuyse (1999: 11) make a very valid point in the Rapport of 31 January 1999 that South Africa needs more visible reconciliation symbols, and refer to the example of Coventry in Britain, where German bombers just about destroyed the city during the Second World War; amongst others the impressive mediaeval cathedral. The inhabitants decided not to let this destroy their spirit, and built a cross from the bails left over in the rubble.

In South Africa, the changing of names of places, streets, and so forth are presently enjoying a lot of public attention. Names associated with cultural or historical "goods" of the former dispensation in the country are increasingly

coming under fire. In Heidedal (the former so-called "coloured" neighbourhood of Bloemfontein) a recommendation was made by the city councillor for the area that the neighbourhood's best known facilities, such as its sporting complex and its stadium must change names, in order to replace the current names with those from the "new dispensation" (Claasen, 2000: 1).

Sport, expressed as a cultural phenomenon, is an important potential tool for reconciliation in South Africa (who can ever forget the evoria erupting after the South African national rugby team managed to win the world cup in 1995?). However, sport did not escape the fundamental transformation in South Africa, and demands for greater representatively in the composition of national sports teams have created tension between cultural and racial groups in the country. Both the National Cricket Council of South Africa and SARFU have already introduced compulsory quotas for provincial teams. The general feeling amongst sport administrators are that these can be regarded as necessary evils in order to reached transformation targets and demands from the government (Gerwell et al, 1999: 19 – 22).

Religion in South Africa has undergone fundamental changes in the past decade or two. The Afrikaner's (with their traditional strong ties with Calvinistic Christianity) root values and beliefs were fundamentally questioned and rejected over the past fifty, and especially the last ten years. The Dutch Reform Church does not enjoy its close relationship and formal recognition by the authorities any longer. To add to that formal loss of face and authority, this Church has given up a lot of followers who became disillusioned with the Church; especially taking into account its role during the apartheid years. This has increasingly led, especially in combination to the post-1994 government's equal treatment-of-all-religions, to a secular South African society. And no one can deny the vital role played by religious interest group, such as the World Council of Churches in the eventual downfall of the apartheid state.

The ANC's perspective on the place and role of religion in the South African society is informatively summarized in the following words of its leader, President Thabo Mbeki (The ANC and Religion, 2001: 2): "The process of change has

created a space for the religious communities by guaranteeing all the freedoms, particular religious freedom, which should give these communities all the possibilities and opportunities to play their part in the reconstruction and development of our country." These sentiments are collaborated by the stipulations of Section 15 of the Constitution; guaranteeing religious freedom to all.

The Afrikaans churches, traditionally the bastion of prescriptive morality for the whole of South Africa, find itself in a deep-rooted identify crisis. This was partly the result of the "authority" these churches has lost with the down-fall of their traditional close allies, the former NP government; who has often indirectly enforced the decisions of the church on the South African community. However, partly it was the result of a complex shifting of morality within the broader community: "Sins" which was previously sharply rejected by the Afrikaans churches, more often than not on the hand of the Bible, such as dance, gambling and living together before marriage have all of a sudden become common-placed, even amongst the Afrikaans community (Mischke, 2000: 3). This situation was further worsened by the role of the Afrikaans churches during the apartheid-era; with often intense anger directed against the church-leaders who participated actively in the system of oppression, and openly encouraged young men to fight in what they have glorified to the level of a "holy" war: the lonely carriers of the Christian faith in a dark Continent of non-believers who wants to oppress all Christians and their right to practice their religion (Muller, 2000: 9).

The Afrikaans churches are not always comfortable dealing with these changes. Various articles published in the official mouthpiece of the Dutch Reform Church, the "Kerkbode" attempts to deal with this problem. One such an article (Kerkbode, June 2000) stated that the church's insight into various social issues, and their understanding of the Bible's perspectives on such issues could mean that the church's guidance to its congregation might not be the same in 2000 than what it was in 1950, 1850 or 1550. Issues such as slavery, apartheid and lottery are then specifically mentioned. The article conclude that this is not enough reason for followers of the church to mistrust the church, or regard it as

changing with the spirit of the time, but must rather be regarded as an on-going study of the Bible and the church's on-going desire to seek the guidance of the Holy Spirit (Kerkbode, 2000: 1). Another such article (Kerkbode, April 2000) quoted Prof. Christina Landman, lecturer in church history at the University of South Africa, saying that, if Dutch Reform followers continue to cling to apartheid guilt, they will believe that they are viewed as immoral by members of other churches; which will prevent them from becoming moral agents according to the word of Jesus Christ (Die Kerkbode, 2000: 1).

The Dutch Reform Church has declared the year 2001 as the Year of Hope, and has undertaken to support their congregation in the deeply-rooted social revolution that they are presently experiencing (Kerkbode, 2001: 1).

Another interesting perspective on the question of religion is the economic empowerment potential thereof. In South Africa, the Zionist Christian Church has some 4,2 million members, followed by the Dutch Reform Church with 3,8-million and the Catholic Church with some 3,7-million. They are all multibillion conglomerates and they pay no tax. The fastest growing industry on the African continent is religion (Smith, 2000: 26-28). These Churches have a huge potential, if managed correctly, to contribute towards not only moral renewal, but also economical enhancement.

- Statistics on religion in South Africa is included as Schedule X.

4.12 CONCLUSION

The normative foundation of the South African public sector has undergone a fundamental change since 1994 – away from a traditional approach of the perceived application of Christian norms and standards, coupled with – ironically – a discriminatory service delivery framework – to one of a secular framework for service delivery. The formal structure for this new approach is sound enough – captured in the foundation laid by the Constitution, which is vested in the principle of the "people (community) first." The principle of development-orientated management is specifically mentioned in this regard. However, how

much of these lofty ideals actually materialized eventually in a public sector ridden by a plague of corruption and theft are debatable.

South Africa is faced with a wide range of environmental challenges that necessitates policies aimed at facilitating development. Environmental influences, that impact positively on the ability of the South African government to respond to the challenge of sustainable development, can thus be regarded as opportunities for development are, amongst others:

- A relatively good relation with the "outside" world.
- International recognised leadership.
- A commitment to reconciliation and nation building.

Environmental influences that pose a threat to the ability of the South African government to facilitate sustainable development are, amongst others:

- Most citizens are extremely poor.
- Unemployment is sky racking.
- An enormous wealth gap.
- A crime epidemic.
- Collapsing infrastructure.
- Racism and mistrust are alive and thriving.

The above-mentioned environmental factors impact directly on the management of development programmes and/or initiatives by the South African public sector in one of the following ways:

- The development needs of the public sector's clients (the community) are determined by environmental circumstances.
- The resources available to satisfy these needs are determined by the environment (for instance economic circumstances determine the tax base of a country, and thus the money available to undertake development programmes).
- The development efforts of the public sector impact on environmental conditions; which in turn determine the nature of future development initiatives, and availability of resources available for development. This then become a repetitive cycle.

Once development needs have been determined, based on a thorough analysis of the environment, government must determine the resource available to satisfy these needs, and prioritise development needs with a view of reconciling limited resources with unlimited needs. These priorities are authoritatively expressed in development policy, which can be considered the government's goals and objectives for development. These policies subsequently direct the rest of the management process. This policy-making process will subsequently enjoy attention in Chapters 5, 6 and 7.

CHAPTER 5

POLICY-MAKING FOR DEVELOPMENT
OVERVIEW OVER CONSTITUTIONAL AND GOVERNING STRUCTURES IN SOUTH AFRICA

The point about government
Is that no one has control.
Lots of people have the power
To stop something from happening –
But almost nobody has the power
to make anything happen

J. Lynn and A. Jay
British writers

5.1 INTRODUCTION

Without clear goals and objectives, no meaningful development is possible. This is also in the case in respect of the development process – in which case such goals and objectives must be formulated after a careful consideration of all relevant environmental influences.

Someone, or some group of people, must give direction to the development process. In a democratic state this is the responsibility of the popularly elected representatives of the citizens. In South Africa such representatives are elected by means of an open political process. Representatives are elected by the voters to represent them in legitimate political structures which exercise state power on behalf of the electorate. On a national level of government, this function is performed by Parliament; on provincial level by Provincial Legislatures, and on a municipal level by Municipal Councils.

The process whereby the public agenda is set, and public policy priorities are identified is known as the governing function. This function is in essence political

in nature; meaning that this decision-making is taken place in an environment where a variety of official and unofficial participants in the public policy-making process are influencing the eventually outcome of the agenda (policy proposals).

The allocation of power amongst the various organs of state, and even civil participants, will determine their respective influence on the policy-making process. In South Africa the ultimate decision-making power is vested in the national Parliament, with a substantial degree of responsibility for implementation being decentralized to provinces, and even local authorities. On all three of these levels, state power is exercised by one of three organs entrusted with this power, namely:

- The Legislative Authority;
- The Executive Authority;
- The Local Authority.

In South Africa a four "level" of authority can be added, namely that of traditional (indigenous) authorities, which is especially relevant in respect of rural areas in the country.

It must be mentioned, in conclusion, that South Africa is a Constitutional supremacy, with the country's Constitution determining the nature of the distribution of state power amongst the various organs of state. However, even these organs are eventually subjected to the stipulations of the Constitution.

5.2 THE GOVERNING FUNCTION

Ranney (1990: 8) defined the term "government" as the "body of people and institutions that make and enforced laws for a society". This implies that the government-function is in essence a decision-making function.

The governing function cannot be separated from the policy-making process. In all political systems, government or private, there is an ultimate source of power or decision-making. In the public service, this power is vested in the voters, represented by their legislative representatives. Two types of mechanisms are

available to a political power for controlling progress in society (development) namely –

- control of the pool of resources and
- laws and regulations (Baker and Michaels, 1975: 257).

5.3 CONSTITUTIONALISM AND CONSTITUTIONAL SUPREMACY

In a modern idiom, the structure of the state and the nature of the power-relationship amongst role-players taking decisions within the governing milieu is captured in the *constitution.* Constitutions are codes of norms that aspire to regulate the allocation of powers, functions, and duties among the various agencies and offices of government, and to define the relationships between those and the public (Finer, 1995: 1). Regardless of their form, nearly all Constitutions established the following (Gildenhuys *et al.,* 1991: 26):

- The plan according to which the various organs of government are organized.
- The range of powers allocated to each organ of government.
- The way in which these powers are exercised.

The mere existence of a progressive Constitution does not necessarily transform a country into an utopia. For instance, in South Africa direct clashes are being experienced between the stipulations of the Constitution and that of deeply rooted tribal customs. One example of this is the case of Tandaswa Ndita, today a magistrate in charge of the Mount Frere region in the Eastern Cape. When she was six years old, her father died, and the chiefs in the Cofimvaba district set about searching for a male heir to inherent his estate. They found a distant cousin who took everything her father possesses; including his furniture, crockery and cutlery (Naidoo, 1998: 8); effectively "disinheriting" the legitimate heir to the estate.

5.3.1 Constitutional Supremacy

The traditional principle practiced in South Africa, namely that of the absolute decision-making power of the legislature was qualified by the stipulations of Section 2 of the Constitution of the Republic of South Africa, 1996; which reads as follows: "This Constitution is the supreme law of the Republic; law or conduct inconsistent with it is invalid, and the obligations imposed by it must be fulfilled." This stipulation has transformed South Africa into a constitutional state; where the constitution is the highest law, and no legislature can make a law, or enacted a policy decision that is inconsistent with the stipulations of the Constitution.

5.3.2 Constitutionalism and the protection of human rights as a developmental necessity on a sub-physical level

The Constitution of the Republic of South Africa, 1996 can rightfully be regarded as one of the most progressive in the world. Ranney (1990: 83) defines the concept of "constitutionalism" as "the ideology that government power should be limited so as to protect human rights". For the purposes of this study such a definition is too narrow. However, in as far as it accentuates the importance of human rights to feature in modern constitutions, it is applicable. Chapter 2 of the Constitution of the Republic of South Africa, 1996 deals extensively with the protection of human rights. Constitutional protection of human rights eventually boils down to the limitations of government's power to infringe on the rights of individual citizens. *It must be stated unequivalently that the recognition of human rights, and the protection thereof is a non-negotiable prerequisite for development in any and all modern democratic societies.* This viewpoint is confirmed by the stipulations of Section 76 of the Constitution of the Republic of South Africa, 1996, which reads as follows: "(1) This Bill of Rights is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality and

freedom. (2) The state must respect, protect, promote and fulfill the rights of the Bill of Rights."

Ranney (1990: 392 – 393) identified a number of limitations of government that can be regarded as typical of interventions required for modern-day protection of human rights. These are all included in the South African Constitution:

Limitation	**Constitution of the Republic of South Africa, 1996**	
	Section	***Nature of limitation***
Protections of Belief and Expression		
	15	Freedom of religion and opinion
	16	Freedom of expression
	16 (1)(a)	Specify the freedom of the press and other media.
	16(1)(b)	Freedom to convey and receive ideas and information
	6	Promotion of the use of all languages spoken in the country
Protections of Action		
Assembly	17	Freedom of assembly, demonstration, picket and petition
Petition	17	Freedom of assembly, demonstration, picket and petition
Suffrage	19(3)(A)	Every adult citizen has the right to vote in elections for any legislative body established in terms of the Constitution, and to do so in secret.
Secrecy of votes	19(3)(A)	Every adult citizen has the right to vote in elections for any legislative body established in terms of the Constitution, and to do so in secret.
Prohibition of slavery	13	No one may be subjected to slavery, servitude or forced labour.
Practice of chosen profession	22	Freedom of trade, occupation and profession.
Privacy of domicile	14	Everyone has the right to privacy, which includes the right not to have – a. their person or home searched b. their property searched
Movement within	21	(1) Everyone has the right to freedom of movement.

and to and from the nation		(2) Everyone has the right to leave the Republic. (3) Every citizen has the right to enter, to remain in and to reside anywhere in the Republic. (4) Every citizen has the right to a passport.
Organization of labor unions and trade associations	23	Protect the right of all employers and employees to organize, administrate and join employer and – employee organizations.
Strikes	23(2)(c)	Every employee has the right to strike.
Collective bargaining	23(5)(6)	Guarantee the right of employee and employer organizations to enter into collective agreements and enter into collective agreements.
Protections for Persons Accused of Crime		
Prohibition bills of attainder	35	Implied in the comprehensive protection of the rights of arrested, detained and accused persons.
Prohibition of ex post facto laws	35(3)(l)	Every accused person has a right to a fair trial, which includes the right not to be convicted for an act or omission that was not an offence under either national or international law at the time it was committed or omitted.
Prohibition of unreasonable searches and seizures	14	Everyone has the right to privacy, which includes the right not to have a. their person or home searched b. their property searched c. their possessions seized d. the privacy of their communications infringed.
No trial without indictment	35(1)	This Section guarantee the right of accused persons to remain silent, be informed promptly regarding the right to remain silent, and not to be compelled to make a confession.
No double jeopardy for the same offense	35(3)(m)	Accused persons may not be tried for an offense in respect of an act or omission for which that person has previously been either acquitted or convicted.
No coerced confession	35(1)(d)	A person may not be compelled to make any confession or admission that could be used in evidence against that person.

No excessive bail or fines	35(1)(h)	Accused and arrested persons have the right to be released from detention if the interests of justice permit, subject to reasonable conditions.
No cruel and unusual punishment	35(2)(e – f)	Everyone who is detained has the right to conditions of detention that are consistent with human dignity, including at least exercise and the provision, at the state"s expense, of adequate accommodation, nutrition, reading material and medical treatment, and to communicate with, and be visited by, that person"s spouse or partner, next of kin, religious councilor and medical practitioner.
No extradition for political crimes	232	Customary international law is law in the Republic unless it is inconsistent with the Constitution or an Act of Parliament.
No capital punishment	11	Everyone has the right to life. (Applicable to capital punishment in light of judgments of the Constitutional Court in this regard).
No imprisonment for debt		Not specifically addressed in the Constitution of the Republic of South Africa, 1996
General guarantee of due processes of law	35(3)	Every accused person has a right to a fair trial, which includes the right - to be informed of the charge with sufficient detail to answer it; to have adequate time and facilities to prepare a defence; to a public trial before an ordinary court; to have their trial begin and conclude without unreasonable delay; to be present when being tried; to choose, and be represented by, a legal practitioner, and to be informed of this right promptly; to have a legal practitioner assigned to the accused person by the state and at state expense, if substantial injustice would otherwise result, and to be informed of this right promptly; to be presumed innocent, to remain silent, and not to testify during the proceedings; to adduce and challenge evidence; not to be compelled to give self-incriminating evidence;

		to be tried in a language that the accused person understands or, if that is not practicable, to have the proceedings interpreted in that language; not to be convicted for an act or omission that was not an offence under either national or international law at the time it was committed or omitted; not to be tried for an offence in respect of an act or omission for which that person has previously been either acquitted or convicted; to the benefit of the least severe of the prescribed punishments if the prescribed punishment for the offence has been changed between the time that the offence was committed and the time of sentencing; and of appeal to, or review by, a higher court.
Guarantee of a speedy and public trial	34	Everyone has the right to have any dispute that can be resolved by the application of law decided in a fair public hearing before a court or, where appropriate another independent and impartial tribunal or forum.
Trial by an impartial jury	34	Everyone has the right to have any dispute that can be resolved by the application of law decided in a fair public hearing before a court or, where appropriate another *independent and impartial tribunal or forum.*
Ability to confront hostile witnesses	35(3)(i)	Accused has the right to adduce and challenge evidence.
Assistance of council	35 (2)(c) 35(3)(g)	Everyone who is detained, including every sentenced prisoner, has the right to have a legal practitioner assigned to the detained person by the state and at state expense, if substantial injustice would otherwise result, and to be informed of this right promptly; Every accused person has a right to a fair trial, which includes the right to have a legal practitioner assigned to the accused person by the state and at state expense, if substantial injustice would otherwise result, and to be informed of this right promptly

Equity before the law or equal protection of the laws	9	(1) Everyone is equal before the law and has the right to equal protection and benefit of the law. (2) Equality includes the full and equal enjoyment of all rights and freedoms. To promote the achievement of equality, legislative and other measures designed to protect or advance persons, or categories of persons, disadvantaged by unfair discrimination may be taken. (3) The state may not unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth. (4) No person may unfairly discriminate directly or indirectly against anyone on one or more grounds in terms of subsection (3). National legislation must be enacted to prevent or prohibit unfair discrimination. (5) Discrimination on one or more of the grounds listed in subsection (3) is unfair unless it is established that the discrimination is fair.
Protection of Property Rights		
Just compensation for private property taken for public use	25(2)[1]	No one may be deprived of property except in terms of law of general application, and no law may permit arbitrary deprivation of property. (2) Property may be expropriated only in terms of law of general application - a. for a public purpose or in the public interest; and b. subject to compensation, the amount of which and the time and manner of payment of which have either been agreed to by those affected or decided or approved by a court. (3) The amount of the compensation and the time and manner of payment must be just and equitable, reflecting an equitable

[1] Note the apparent inconsistency between property rights and the need for redress of past imbalances.

		balance between the public interest and the interests of those affected, having regard to all relevant circumstances, including - a. the current use of the property; b. the history of the acquisition and use of the property; c. the market value of the property; d. the extent of direct state investment and subsidy in the acquisition and beneficial capital improvement of the property; and e. the purpose of the expropriation. (4) For the purposes of this section - a. the public interest includes the nation"s commitment to land reform, and to reforms to bring about equitable access to all South Africa"s natural resources; and b. property is not limited to land. (5) The state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis. (6) A person or community whose tenure of land is legally insecure as a result of past racially discriminatory laws or practices is entitled, to the extent provided by an Act of Parliament, either to tenure which is legally secure or to comparable redress. (7) A person or community dispossessed of property after 19 June 1913 as a result of past racially discriminatory laws or practices is entitled, to the extent provided by an Act of Parliament, either to restitution of that property or to equitable redress. (8) No provision of this section may impede the state from taking legislative and other measures to achieve land, water and related reform, in order to redress the results of past racial discrimination, provided that any departure from the provisions of this section is in accordance with the provisions of section

		36(1).
Patents and copy rights	25(1)	No one may be deprived of property except in terms of law of general application, and no law may permit arbitrary deprivation of property. (This includes intellectual; property).

Constitution of the Republic of South Africa, 1996 and Ranney (1990: 392 – 393).

It is clear from the above-mentioned comparison that the South African constitution, from an international perspective, strongly guarantees the protection of human rights, which is definitely a valuable basis for the development of the development. What is even more impressive about the South African Constitution, is the establishment of a variety of so-called state institutions supporting democracy (Chapter 9). These are the following:

- The Public Protector (Section 182);
- The Human Rights Commission (Section 184);
- The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities;
- The Commission for Gender Equality;
- The Auditor-General;
- The Electoral Commission;
- The Independent Broadcasting Authority.

5.3.3 Constitutionalism and power-relationships

Government power, or authority, is exercised by a wide variety of institutions and organizations. The Belgium Constitution devotes a separate section (Title III) to the distribution of power within the Belgium State. It deals with the distribution of power on a horizontal level (legislative, executive, judicial), as well as vertical (between the regional governments and the national government). The degree to which authority or power is devolved, decentralized or delegated from a superior level, or sphere of government to an sub-ordinate one (or sub-ordinates ones) is directly related to the nature of the *system of government in a country* (Derived from an exposition in this regard by Hattingh (1986: 28 – 29).

For the purposes of this study, the perspective of Marais (1989: 283) regarding the *devolution* of decision-making power would be accepted as appropriate. The author put it as follows: Power is a unitary concept; power cannot be shared. Sharing of power is the same as relinquishing power. If power is shared, the power of the original holder is broken. Being unitary in nature, power cannot be devolved. Devolution of power would imply sharing of power with a lower legislative institution, which in itself is a contradiction. To devolve power to a lower institution is to make it equal to the higher institution.

The Webster's World Encyclopedia (CD-Rom version) define the term *decentralize* as the transfer of power from a central to a local authority, or the reorganization of centralized institutions and organizations on the basis of greater local autonomy. However, with these kinds of analysis mere dictionary definitions will not suffice. To support the quoted definition, and provide relevance for the purposes of this study, Hattingh's (1986: 30) perspectives that the term "decentralization" in the South African public service has referred to the phenomenon whereby regional and local service-delivery agencies have been established to improve accessibility. However, control and the responsibility for co-ordination has remained centralized.

Anderson (1994: 294) defines the term *delegation of power* as "(a)ction taken by (the US) Congress authorizing the executive or administrative agencies to take action on specified topics." Delegation implies that the responsibility to executive certain specific tasks are carried over from the authorized authority to another party, with the appropriate authority to enable the other party to executive these functions. However, control remains with the authorizing authority, and this authority can intervene at any stage (Hattingh, 1986: 33).

(i) Comparative systems of government

The degree to which decision-making governmental authority is being devolved, decentralized or delegated to the various spheres of government would

eventually determined the nature of a state's system of government. The basic alternatives in this regard are

- A confederate system of government,
- A federal system of government,
- A unitary system with substantial decentralization, or
- A unitary system.

The nature of these power (authority-) relationships is expressed in a country's constitution.

- Kotze (1995: 2) defined the term "confederalism" as "the fragmentation of the state into various independent components, whether geographical or segmental, in which these components share a limited number of functions." The best example of a well-functioning confederate is the European Union (Gildenhuys *et al.,* 1991: 32). Although Article 1 of the Swiss Constitutions establish it as a confederal states, the actual powers allocated to its National Parliament in comparison with that of the cantons implies distinctive federal characteristics.
- The Webster's World Encyclopaedia 2000 defines the term *federalism* as a form of territorial political organization which aims to maintain national unity while allowing for regional delivery. This is achieved by distributing different constitutional powers to national and regional governments. Power is not hierarchically distributed, but allocated among different independent yet interacting centers; the national government is thus not in a position to dictate to regional governments.
- In a unitary state, power is organized under one central authority that possesses original legislative powers. The powers awarded to local units are those ceded or delegated by the unitary authority, and "lower" levels or spheres or government must obligate to the decisions of the central authority Gildenhuys *et al.,* 1991: 29).

(ii) Analysis: The South African system of government

What kind of government system is in place in South Africa? This is an important question, as the answer to it will determine the nature of the power-relations in the country, and subsequently the power of the various government institutions and spheres of government in the country to influence development policy.

The best way to determine the form of government in South Africa is by analyzing the characteristics of the South African Constitutional set-up against the characteristics of the various forms of government as exposed above.

- *A written Constitution that allocate specific legislative and executive powers to at least two or more spheres of government.*
  - South Africa's formal written constitution immediately excluding it from classifying the country as a purely unitary state. The Constitution specifically allocates certain legislative – and executive competencies to Provincial – and even Local Authorities.

Legislative competencies of the National Legislative Authority	**Legislative competencies of the Provincial Legislative Authorities**	**Legislative competencies of Municipal Legislative Authorities**
Section 44: Empowered to pass legislation regarding any matter, except those matters specifically excluded from its jurisdiction in terms of Schedules 4 or 5 of the Constitution.	Section 104: Empowered to pass a Provincial Constitution; and – (i)any matter within a functional area listed in Schedule 4; (ii)any matter within a functional area listed in Schedule 5; (iii)any matter outside those functional areas, and that is expressly assigned to the province by national legislation; and (iv)any matter for which a provision of the Constitution envisages the	Section 156: Empowered to administer municipalities with regard to matters mentioned in Parts B of Schedules 4 and 5.

	enactment of provincial legislation; and (c)to assign any of its legislative powers to a Municipal Council in that province.	

Constitution of the Republic of South Africa, 1996

Two matters with regard to the above-mentioned analysis stand out, namely:

- The powers allocated to provinces and municipal authorities are conditional: National government maintains the right to override any provincial and/or municipal policy decisions under certain circumstances (for example, to maintain economic unity).
- The functional areas specified where provincial authorities and local authorities have legislative competency are non-essential in respect of the governing essentiality thereof; meaning that the exercising of these powers, and the execution of these functions cannot empower the province to be recognized as an independent constitutional entity. In practice, provincial authorities in South Africa are the executive arms of the governments governing structures, and municipal authorities are in turn the executive structures for the application of provincial policies; which are in any event pre-prescribed by national policy initiatives.
- In light of the above-mentioned, and by keeping in mind the discussion preceding this analysis regarding the characteristics of the various forms of government, it can be concluded that –
- South Africa is not a confederal state. Government structures and power-relation in the country does not reflect any of the characteristics of a confederation.
- The South African Constitution shows various characteristics of a federal state; but with certain important exclusions:
    - The stipulations of Section 146 of the Constitution of the Republic of South Africa, 1996 qualifies the powers of the provincial and local spheres of government. It is clear that the *eventual and final*

legislative power in South Africa is vested in the national Parliament.

- The courts may settle disputes between the various spheres of government, but they must do it in accordance with the stipulations of the Constitution; which favours the National Parliament in its allocations of powers
- The National Council of Provinces represents the provincial interests, but has limited powers in comparison with those of the National Assembly.

- Is South Africa a unitary state? The South African Constitution surely reflects important characteristics of this form of government. However, the fairly wide-ranged devolution of power to Provinces, and even, to some extent – Local Authorities – makes it impossible to regard unionism as the dominant characteristic of the country's form of government.
  - South Africa cannot be classified as a pure or traditional unitary state. The existence of a Constitution which limits the National Government's powers, and the clear division of decision-making powers, although limited within the real stipulations of the Constitution, set it aside from purely unitary states. As indicated in the previous analysis the South African constitutional set-up shows strong federal characteristics. However, the lack of substantial decision-making powers by regional jurisdictions in the country prevents it from being labelled a federal state. Most of the real substantial powers are vested in the National Parliament, and the dispute resolution mechanisms that must be used in the case of differences between constitutional power structures are inclined towards the National Parliament.

(iii) The South African system of government

In light of the above-mentioned analysis, and with due reference to the discussion regarding the devolution, decentralization and/or delegation of power,

it can be concluded that South Africa can be regarded as a decentralized unitary state functioning as a Constitutional state. Provincial-and local governing structures have real decision and policy-making powers, but these powers are limited by the overriding legislative competency of the National Parliament. The legislative powers of provincial-and local authorities can thus be regarded as decentralized powers, rather than original powers. However, the Constitution still enjoys preference, and even the National Parliament must comply with the stipulations thereof.

5.3.4 Implications for development

The way in which government power is distributed amongst government structures in a country has a direct impact on the way in which policy-decisions are made in that country. For instance, in the case of a confederate state, the separate member-states are empowered to determine the nature and scope of their individual development initiatives. This means that the specific, unique needs of the citizens of that state can be taken into account with the formulation of such policies. However, some states will be in a better financial position, or will have better knowledge to stimulate development; which will then not be accessible to lesser-developed states in the confederation. But then, exactly the opposite happens: The emphasis is on promoting a unitary standard, and very little provision is made for local deviations.

The best way to analyse the implications of the system of government in place in a country is by weighing the advantages of each system against the disadvantages. As it has already been determined that the South African model can be described as decentralized unitary, such an analysis can be done by analyzing the advantages and disadvantages of federalism and the unitary state. These can be presented as follows (Gildenhuys *et al.*,.,, 1991: 29 – 30):

Unitary states		**Federalism**	
Advantages	**Disadvantages**	**Advantages**	**Disadvantages**

A great deal of unity and solidarity can be reached	Local autonomy is destroyed.	Offers a solution to the problem of small states that wish to integrate or co-operate but do not wish to lose their independence.	The large degree of autonomy given to member units within a federal state could lead to movements towards secession, as experienced in many federations all over the world, e.g. Nigeria and Canada.
It is cheaper because duplication is eliminated.	Minority groups may be engulfed and their interests ignored.	Provides for the protection of minority interests.	The very nature of a federation could lead to a clash between those members seeking greater centralization and those seeking greater decentralization.
Confusion in administrative matters is eliminated.	Local problems may be overlooked.	Provides a method through which the various groups can co-operate without fear of domination by other groups (especially if large differences exist between populations.	
Because sectional	It creates a real opportunity for the	As a result of decentralization, it brings	

interests are not emphasized by the constitution, national issues may be discussed in terms of national merit.	government to become bureaucratic.	the affairs of government closer towards the individual, thereby arousing and stimulating active participation.	

5.3.5 Power-relations expressed in terms of intergovernmental relations and co-operative government

The question relating to the competency of the legislative authorities on various spheres of government is directly linked to the issues of *intergovernmental relations and co-operative government.* The Constitutional principle governing the relationships between the various spheres of government in South Africa is summarized in Chapter 3 of the Constitution of the Republic of South Africa, 1996. The essence of these stipulations are that the government of the Republic of South Africa are organised on three spheres, and that, while the integrity of each level must be respected, the authority of the National Parliament to ensure fairness and equity throughout the country must be accepted.

According to the Presidential Review Commission's Report (1998: Chapter 2: 23) both national departments and the provinces repeatedly pointed to the fact that weaknesses in the structures and practices of inter-governmental relations led to poor coordination within and between different departments and spheres of government, creating an incapacity to implement national programmes and a consequent failure to deliver basic services. The Review Commission's assessment of the structures created to improve inter-governmental co-operation was not very favorable (Presidential Review Report, Chapter 2: 25 – 28):

- *The Inter-Governmental Forum* was established to provide an opportunity for consultation and joint decision-making between the premiers on all matters of

mutual interest. The main idea with the forum was to create a structure for regular interaction between provincial premiers, the President and Ministers charged with key portfolios on a national sphere of government. However, no legal mechanism exists to ensure that government adheres to decisions of the IGF, and the Presidential Review Commission recommended the restructuring or abolition of this structure.

- *Ministerial Forums (MINMECs).* These are sectorally based meetings of national ministers and provincial MEC's, established to promote co-ordination and effective communication in service delivery between the various spheres of government. The Review Commission identified a number of problems related to MINMEC's; mostly in respect of logistical arrangements and the fact that the national government tends to dominate proceedings. The finding of the Review Commission was that, notwithstanding the above-mentioned factors, MINMECs do have an important role to play in promoting sound inter-government co-ordination for effective service delivery.
- *The National Council of Provinces.* The role of the NCOP with regard to inter-governmental relations will became clear from the discussion to followed in paragraph 5.4.1.
- *Technical Committees.* A number of technical committees have been established to support the political structures of for IGR (inter-governmental relations), to promote co-operation and consultation at an administrative level. The assessment of the Presidential Review Commission was that, generally speaking, where political structures are not functioning well, the technical support of these committees soon looses direction. According to the Review Commission, this is because there is no consistency in policy formulation, little follow-up on decisions and no inducement to ensure compliance with decisions taken.

  The Presidential Review Commission concluded that it is evident that the National Cabinet provides a focal and generally effective platform for coordinating of policy. However, once policies have been made at this level, there is no institution in place to follow up decisions both to ensure that they

are being implemented and to ensure that this is being done in the agreed-upon manner. Failure to coordinate policy at the national level of government has a "knock-on" effect in provinces. They also found that the interaction between provinces and local authorities were in general inadequate (Presidential Review Report, Chapter 2: 28).

5.4 THE PRINCIPLE OF *TRIAS POLITICA* AND CONSTITUTIONAL GOVERNING STRUCTURES

The doctrine of separation of powers *(trias politika)(*brain-child of the French philosopher Montesquie*)* might be formulated as follows: It is essential for the establishment and maintenance of political liberty that the government be divided into three branches or departments, namely the legislature, the executive and the judiciary. To each of these branches there is a corresponding identifiable function of government. Each branch of the government must be confined to the exercising of its own function and must not be allowed to encroach upon the functions of the other branches (Ranney, 1990: 256; Cloete, 1991: 4 and Vile, 1967: 13).

Modern government has proved that there should be a measure of overlapping and co-ordination between these powers in order for government to function effectively. However, it remains true that the uncontrolled power of one authority over the other can result in various negative side effects, such as corruption and tyranny (Gildenhuys *et al.,* 1991: 40).

It is one of the most fundamental prerequisites of a democratic state that this division of state powers must be respected. In this regard reference can be made to the judgment in a court case relating to bail by Acting Judge Slomowitz in 1999. According to the Judge, the neglect of the principle of division of state powers enabled previous governments to transform the community into something grotesque. The Judge emphasized that Parliament must make laws, and leave it to the courts to apply these laws (De Bruin, 1999: 2 and Die Volksblad, 1999: 11).

5.4.1 The Legislative Authority

In spite of Constitutional supremacy, the principle that the legislature has the right to make binding policy-decisions for the sphere under its jurisdiction remains a key principle of the South Africa's constitutional make-up. This state of affairs originates from the fact that in a democratic state, the ultimate decision-making power is vested in the general population, or, more specifically the *voters* of the country. The qualification is that such policy-decisions must not be *ultra vires* to the stipulations of the Constitution of the Republic of South Africa, 1996.

The legislative authority for the Republic of South Africa is vested in –

(a) Parliament (for the national sphere of government)

(b) Provincial legislatures (for the provincial sphere of government)

(c) Municipal Councils (for local spheres of government)

Chapter 4 of the Constitution of the Republic of South Africa, 1996 provides for an Parliament consisting of two Houses, namely –

- The National Assembly and
- The National Council of Provinces

(i) Bi-structural Parliamentary power relations

Murray and Simeon (1999: 97) is of the opinion that the success of South Africa"s new democracy will depend greatly on how, and how well, the two Houses of Parliament perform their respective roles. The roles of the National Council of Provinces and the National Assembly are complementary, but not identical. The National Assembly represents all South African voters, with membership, which is based on proportional representation. The National C From: Legal Resource Center. 1997: 20-21 . It represents South African citizens not directly, but indirectly, as the various Provincial Legislatures nominate the members. Its role is to represent the provincial perspective in the national Parliament (Murray and Simeon, 1999: 97).

5.4.2 The Executive Authority

Ranney (1990: 288) defines the executive as "the heads of non-legislative and non-judicial agencies who are elected or appointed for limited terms to supervise the making and execution of government policies". In South Africa the executive authority is vested in –

- The President (on a national sphere of government)(Section 85 of the Constitution of the Republic of South Africa, 1996).
- The nine Provincial Premiers on a provincial sphere of government (Section 125 of the Constitution of the Republic of South Africa, 1996).
- The executive mayors on a local level of government.

South Africa has a Parliamentary or Cabinet system of executive authority, meaning that the President and the executive council (Cabinet) are elected by the legislative authority (Section 86 of the Constitution) and remain members of Parliament (with the exception of the president, who must vacate his Parliamentary seat after being elected [Section 86 [3] of the Constitution])

Although the theory behind the existence of the executive authority is that it is the authority structure responsible to execute the decisions of the legislature (Cloete, 1991: 38), Ranney (1990: 288) expressed the opinion that "(i)t is harder to define the executive than a legislature or a court... (H)istorically the executive has always been the core of government, and what we today call legislatures and courts are, so to speak, the branches that have grown out from the original executive trunk."

An event that impacted directly and substantially on the way in which the executive authority is structured in South Africa, was the restructuring of the Presidency in response to recommendations in this regard by the Presidential Review Report. Although the specific arrangements made after the 1994 general elections (of a Presidency consisting of the Office of a President, as well as that of a Deputy Presidency) was necessary for historic reasons, it did not make for efficient administration – therefore the recommendations for restructuring (The

Presidency, 2000: 5). Some key features of the restructured presidency are (Keeton, 2001: 38):

- Grouping of cabinet committees, policy units and directors-general into sectoral clusters, such as an economic cluster.
- Establishment of an expanded advisory forum, spearheaded by Professor Wiseman Nkuhlu as economic advisor, Advocate Mojanku Gumbi (as legal advisor) and Titus Mafolo (as political advisor).
- Launching of a forum of director-generals, chaired by the director-general in the Presidency, to share responsibilities without being confined to their respective line functions.
- Establishment of four consultative groups, intended to link the president to specific sectors outside of Government and democratise his office through regular meetings with a big business working group, a black business working group, a trade union working group and an agricultural working group.
- Appointment of an international investment council of globally eminent chief executives to make sure "the executive's decisions in the area of local and foreign investment are thoroughly debated and soundly grounded.
- Establishment of the president's coordination council, where the presidency and provincial premiers interact to boost cooperative governance.

5.4.3 The Judicial Authority

The South African judicial authority is a prime example for developing countries. In spite of human shortcomings, it can be said that the courts are striving to be impartial and fair, and that their judgements generally reflect this view. A very positive development in this regard was the establishment of the Constitutional Court that enforces the prescriptions of the Constitution of the Republic of South Africa, 1996. Maharaj (2000: 13) said it well when commenting that (o)ne of the critical measures by which we should be assessing the maturing of our democracy is the way in which we react to, publicize and debate the actions of

the Constitutional Court... we have come to accept the court"s decisions as the law. The universality of this reaction (in case of the judgment relating to Judge Heath"s right to head the Heath Special Investigation Unit in his capacity as a judge of the Supreme Court) tells us that in a space of six years our democracy has struck deep roots."

However, the South African judicial system is far from free of controversy. The ANC has, on several public occasions, stated that the Appeal Court was not only stacked with apartheid-era dinosaurs, but that its approach to the practice of law has been conservative, leading to perceptions in the community that the court was biased, and that poor, rural blacks, in particular, could not expect a fair hearing. At one stage an ANC spokesperson hit out at the appeal court for reflecting "embedded racism" (Magardie, 2000: 8). Although the court has changed, with its members no longer bound to observe apartheid protocol, many litigants still feel it is too narrow and rigid in its application of the law – and that it more often than not narrowly prescribe the law, failing to take into account the spirit of the Constitution. Members of the public are often dissatisfied about the outcome of a trial, arguing that the background of a judge, as well as language difficulties in courts played an important role in the outcome of court cases (Magardie, 2001: 10). The fact that the bench did not escape the deeply-rooted divisions in the South African society is clear from the thoughts of Seth Nthai (2000: 8) when he argued in a article in the Sowetan of 9 November 2000 that "(o)ne of the reasons that led to the establishment of the Constitutional Court was that the interpretation of the Constitution, which is the highest law in the country, could not be entrusted to the judges of the old order." He then concluded that "(the Constitutional Court should continue to exist, but not in its present form. It should be allowed to continue to evolve the new emerging human rights jurisprudence."

However, some of the complaints regarding the court system were addressed with the appointment of Acting Supreme Court Judge Lex Mpati as South Africa's first black Supreme Court Judge (Magardie, 2001: 10).

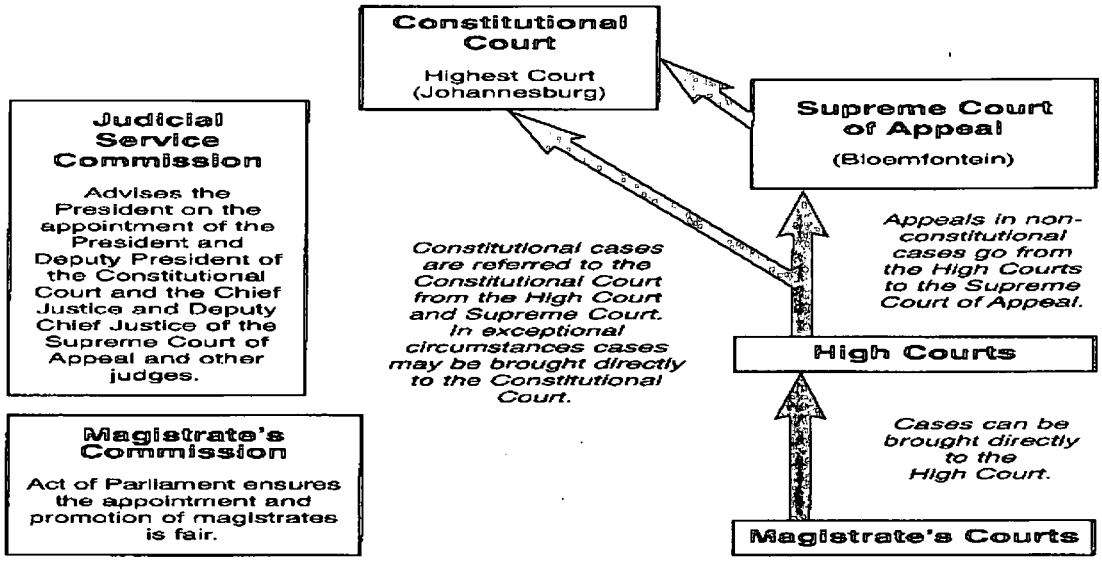
A problem has arisen in South Africa where the working relations between the Constitutional-and Appeal Courts have become uncomfortable at times. The Constitution stipulates that they are both top courts – the Appeal Court has the last say on every matter before the courts, except constitutional matters – the latter being the domain of the Constitutional Court (Rickard, 2000: 20). At one stage the former Chief Justice of South Africa, Judge Ismail Mahomed called for the merger of the Appeal Court and the Constitutional Court. The Minister of Justice, Penuell Maduna, apparently backed him in these plans. However, after fierce opposition to this from all sides, these plans were squashed (Magardie, 2000: 8). The debate regarding the transformation of the Constitutional Court continues nevertheless. Nthai (2000: 8) suggests that the Supreme Court of Appeal should become a wing of the Constitutional Court, and draw from the experience of other judges. According to him, the advantages of such an approach will be as follows –

- The periodical appointment of other judges to the Constitutional Court would create a reservoir of judges, who could be appointed at some point as permanent judges of that court.
- The Constitutional Court would benefit from an abundance of skills of the other judges of the High Court in certain matters.
- To assist in the training of the judges of the High Court in constitutional and human rights adjudication.

It seems like finalization on the issue has now been reached, and that the two courts would remain separate, but under condition that the head of the Constitutional Court, and not that of the Appeal Court, will be regarded as South Africa's first judge in future.

The following diagrammatic presentation of the court structure in South Africa (obtained from the government's website [www.doj.gov.za/courtstructures.htm]) is adequate for the purposes of this study, and provides a useful insight in structure of the judicial authority in the country:

HOW THE COURTS RELATE TO EACH OTHER



From: Legal Resources Center, 1997: 36

(i) *Presentation of the Constitutional framework for the court-system in South Africa*

In terms of section 166 of the Constitution, the courts are—

- the Constitutional Court;
- the Supreme Court of Appeal;
- the High Courts, including any high court of appeal established by an Act of Parliament to hear appeals from High Courts;
- the magistrates" courts; and
- any other court established or recognized by an Act of Parliament, including any court with a status similar to either the High Courts or the magistrates" courts.

5.5 TRADITIONAL OR INDIGENOUS GOVERNANCE: A SHORT OVERVIEW

No study regarding the governance structures of the Republic of South Africa will be complete, or reflective of the reality of the country if mentioned is not made of the role and function of tribal governance. More or less one quarter of all South

Africans lives under the jurisdiction of indigenous authorities. However, source-based information regarding the nature and scope of this kind of governance is limited, and unfortunately a discussion in this regard will have to be based on anthropologist and historians" writing in this regard. The disadvantage of such a discussion is the fact that it focused on a pre-colonial period, and does not necessarily reflect the present situation. Nevertheless, the Chapter will be concluded by a discussion of indigenous government structures in existence in the country as concluded from available literature regarding the issue.

The systems of tribal governance differ noticeably amongst the various cultural tribes in the country (examples are the Zulu model, which differs from the Venda model, etc.). Common features can, however, be presented as follows:

The structure of communocratic administration: monarchical systems (Ismail *et al.*, 1997: 119):

National / tribal king (Paramount Chief) with Royal Council ➤	Membership restricted to heads of royal families
Territorial kings or chiefs with territorial councils ➤	Membership restricted to local dignitaries from royal clans
Village headman with village assemblies ➤	Open to all male adults, in some places to female adults

- The tribe is the basic political unit of the indigenous community.
- Each tribe retains its own name, manages its own affairs, occupies a specific territory and acts as a single unit in a battle.
- The tribe is not a close entity or association like the clan. People may be born into it, join voluntarily, maybe absorbed or conquest into, and which they may leave if so desired.
- Chieftainship is hereditary; although variations exist between various tribes.
  - In most indigenous communities, women do not attain the rank of chieftainship, although they may sometimes act as regent where an heir is minor.

- The chief is the symbol of tribal unity, the central figure around whom the tribal life revolves. He is at once ruler, judge, maker and guardian of law, repository of wealth, dispenser of gifts, leader in war, priest and magician of his people.
- Most chiefs and headmen made decisions through councils or *indunas* they also extended the decision-making circles to include all adults through village forums. A second feature of tribal governance was the decentralization of monarchical systems, especially in religious-ritual kingdoms.
- Several territorial chiefs who acted as his vessels served the tribal chief.
- Ranking below territorial chiefs were headsmen, who superintended village administration.
- Acephalous tribes – those without visible political leadership but organized into a form of confederal village government – made extensive use of open forums at which adults participated in decision-making on matters such as immigration of new members into the village, community projects, land allocation, justice and commercial concerns. This kind of comminatory government in pre-colonial African tribes had the following features:
  - A relative degree of decentralization
  - Direct adult participation in decision-making in open forums
  - A relatively low level of structural differentiation and the predominance of fused roles and functions (Ismail, *et al.*,, 1997: 118 – 120).
- Traditional leaders are custodians of ancestral land by virtue of the fact that their fathers once ruled certain tribes and clans. They are responsible for the day-to-day running of communities, intervene in family squabbles and allocate land, among other things. They are not landowners in own right, and never have been. Their role as custodians of the land on behalf of the tribe does not confer on them the right to govern a local authority within a democratic dispensation (Xundu, 2000: 13).

Chapter 12 of the Constitution of the Republic of South Africa, 1996 makes provision for the formal recognition of traditional leadership, and for the

establishment of House of Traditional leaders and a Council of Traditional Leaders.

RECOGNITION

211. (1) The institution, status and role of traditional leadership, according to customary law, are recognized, subject to the Constitution.

(2) A traditional authority that observes a system of customary law may function subject to any applicable legislation and customs, which includes amendments to, or repeal of, that legislation or those customs.

(3) The courts must apply customary law when that law is applicable, subject to the Constitution and any legislation that specifically deals with customary law.

Role of traditional leaders

212. (1) National legislation may provide for a role for traditional leadership as an institution at local level on matters affecting local communities.

(2) To deal with matters relating to traditional leadership, the role of traditional leaders, customary law and the customs of communities observing a system of customary law—

(a) national or provincial legislation may provide for the establishment of houses of traditional leaders; and

(b) national legislation may establish a council of traditional leaders.

Provincial Houses of Traditional leaders have been established in all six provinces where traditional leaders are found, namely the Eastern Cape, KwaZulu-Natal, the Free State, Mpumalanga, the Northern Province and North West. The National House of Traditional Leaders was established in April 1997 in terms of legislation passed by Parliament; with each of the Provincial Houses of Traditional Leaders nominating three members. This body advises the government on the role of traditional leaders and on customary law (Traditional Leadership, 2001: www.gov.za).

Traditional leadership in South Africa *must* enjoy greater prominence in future. It is a reality that will continue to influence government structure, and subsequently the governing function. In this regard, reference can be made to the views of probably the most influential traditional leader in the country at the moment: King Goodwill Zwelinthini at the opportunity of the official opening of the KwaZulu-Natal legislature in February 2001: "In my own region, my forebears fought wars and battles against colonial and later apartheid regimes in order to maintain our

traditional democracy. We cannot afford to dispose our traditional government institutions in favour of a western kind of democracy. That would mean we fought in vain against domination by foreign powers." In reaction to traditional leaders who refused to participate in the local elections of December 2001 because they felt that legislation that would govern local government and administration after the elections would have diminished their powers (and the threats of violence that goes with their viewpoints), he reacted as follows: "I fully supported the stand taken by *amakhosi*, that is, not to participate until the matter is resolved to the satisfaction of all" (Zwelinthini (2001: 1). The magazine *Africa Today* expressed the opinion that "supporters of an expanded role for traditional leaders do not necessarily have a problem with elective democracy. They proposed instead that traditional authorities be recognized as the primary form of rural local government" (Jacobs, 2000: 15).

The issue related to traditional leaders is directly related to power-relations in South Africa: On the one hand the modern, democratically elected leaders of South Africa, and on the other, traditional, relatively undemocratic leadership governing by way of custom. What further complicate this matter, is the fact that most traditional leaders are strong supporters of the Inkatha Freedom Party, and often suspicious of the ANC-led government (Xundu, 2000: 13). However, in respect of traditional leaders" rejection of the proposed new dispensation of local government, Larsen's (2000: 9) observation differs from this when he states that "(i)t wasn't just a few amakhosi who were in opposition to the changes; it seemed to be a united voice of traditional communities across the nation, regardless of political affinity." The author made informative conclusions regarding government structures and political processes in the system of traditional leadership that is worth quoting for the purposes of this study:

- The author concluded that African systems of government are democratic in nature. The distinction between the Western social systems of individualism, the African concept of societal collectivism implies that the *ubukhosi* (the institution of traditional leadership) speaks with one voice, but the people, and

they do so through the elders. The *inkosi* then acts as the mouthpiece of the people.

- For traditional African communities, elected local government structures in their areas represent the imposition of western individualism of governance. The "will of the people" is no longer defined in African terms as the collective wisdom of the people, but rather as the individual opinions of a society of individuals.
- In traditional African communities there is little need for individualistic space; even for the *induna* (headman), *inkosi* (chief), *ingonyama* (king), or individual action, as the highest ideal in the African understanding of being is "the good of the community," expressed in the word *ubuntu.*

5.6 CONCLUSION

In the public service the responsibility to formulate goals and objectives to guide the management process aimed at development is vested in the "government" – the elected representatives of the community. In a modern democratic state, government power is being divided amongst three "branches," namely:

- A Legislative branch – responsible to approve (authorize) government policy, and control the implementation and execution thereof on behalf of the voters-cum-citizens.
- An executive branch – responsible to initiate government policy, and oversee the proper implementation / execution thereof.
- A judicial branch – responsible to enforce the policies initiated and implemented by the executive and approved by the legislative authority. However, in a Constitutional democracy the judicial authority has a further task, and that is to see to it that neither the executive, - nor the legislative authority is misusing the substantial power available to it. This is done on the hand of the courts impartial and judicially proper interpretation of the stipulations of the Constitution.

The South Africa Constitution (1996) has transformed South Africa into a Constitutional State; with the Constitution has the highest law, and any other law, policy or action that contravenes the stipulations of the Constitution considered to be invalid in so far as it contravenes such stipulations.

It has been reasoned in the preceding Chapter that the South African official government structures has functioned reasonably well, and that the country has managed to enshrine respect for human rights in the policy decisions taken by these structures. It has further been emphasized that the strong African traditions and customs, as it manifested itself in traditional indigenous governing structures, must be respected and incorporated in some way or the other in the country's policy-making structures.

However, the main aim of this study is to analyze the state of management for the sake of development in the South African public service, and the contents of this Chapter will be irrelevant for the purposes of the study in its broader context if the proper perspective is not identified immediately. This perspective is that the exercise of government power (authority) will eventually determine how government policies are being made (for instance, the extent of broad consultation and participation), and how these policies are being implemented and/or enforced. This exercising of government power is the essence of the governing function, and these structures are in essence responsible for the effective execution of the government function (for exercising government power).

Having said that, it follows naturally that the next Chapter will deals with the nature of the South African policy-making processes, and the scope of these policies.

CHAPTER 6

SETTING GOALS FOR DEVELOPMENT: THE PUBLIC POLICY-MAKING PROCESS ANALYSED

Politics is not the art of the possible.
It consists in choosing between
The disastrous and the unpalatable

J.K. Galbraith
US diplomat, economist and writer

6.1 INTRODUCTION

Policy-making is essentially a political process. Hanekom (1987: 8) defines the term public policy as "a desired course of action and interaction which is to serve as a guideline in the allocation of resources necessary to realize societal goals and objectives, decided upon and made publicly known by the legislature". Intrinsic in this definition is the principle that public policy is in essence the manifestation of societal goals and objectives, and the principle that these goals and objectives are set by the legislature, and is thus in essence a political process.

Anderson (1994: 5) define the term "policy" as "a proposed course of action of a person, group, or government within a given environment providing obstacles and opportunities which the policy was proposed to utilize and overcome in an effort to reach a goal or realize an objective or a purpose." One important aspect to be concluded from this definition is the acknowledgement of the necessity to accept environmental requirements (for instance, the needs of communities) as a basis for public policy-making. The other is the link between policy and public objectives. Cloete (1987: 23) concluded that "(t)he purpose of policy is to state what action should be taken to attain a specific objective".

In a democratic state, such as South Africa, the ultimate policy-making power is vested in the voters – cum – taxpayers. They make broad political decisions by

participating in elections where they choose amongst, mostly ideologically loaded, policy alternatives. By means of popular elections, the voters elect representatives to the legislative authority; the body ultimately responsible to determine public policy. However, in practice, political parties determine public policy alternatives. As representatives of these political parties are then elected to Parliament, these alternatives will then be considered and a specific chosen alternative (or various alternatives) will be enacted into public policy by means of the law-making process.

Although the executive authority is, in theory, suppose to execute and implement the policy decisions of the legislature, the reality is that the executive authority is the core of government, and most of government's policy initiatives originates from the executive authority (Ranney, 1990: 288).

Factors that impact directly on Government's ability to prioritize during the process of development-directed policy-making are as follows (concluded from Hattingh, 1986: 58):

- Service delivery agencies must honor existing service delivery obligations; limiting the availability of resources for re-directing the allocation process towards initiatives that will enhance restructuring aimed at promoting development initiatives.
- Political and ideological considerations can totally dominate the prioritization agenda; resulting in the sidelining of practical, attainable development initiatives.
- Prioritization can be made difficult where Government, or the respective service delivery agencies, identify too many development goals over too short a period.
- Over-specialization, especially in combination with inadequate co-ordination during the policy-making process, can lead to skewed development related policy initiatives. This situation will be further worsened if a culture of over-professionalisation makes policy initiators to concentrate on their fields of specialty exclusively.

6.2 CITIZEN PARTICIPATION IN POLICY-MAKING FOR DEVELOPMENT

Johnson (1984: 164, from Bekker, 1995: 40) defines the concept of *citizen participation* as "a process wherein the common amateurs of a community exercise power over decisions related to the general affairs of a community". Brynard (1995: 40) expands on this definition by adding that the indicated "common amateurs" are persons without paid office, wealth, special information, or other formal power source beyond their own numbers. These common amateurs are the non-elite citizens whose gain of some control springs from the participation process itself." A document issued by the Parliamentary Support Programme (a financing agreement signed between the South African Speakers" Forum and the European Union in November 1996, aimed at ensuring stable democracy and good governance) defined the term public participation simply as being about access to power and decision-makers by all the sectors of the community (RSA, Parliament, 2001: **www.parliament.gov.za/pubs/participation/**).

(i) Citizen participation as a prerequisite to sustainable democratic governance and administration

Hilliard and Kemp (1999: 357) relates the aspects of citizen participation and sustainable democratic governance to Section 195(1) of the Constitution of the Republic of South Africa, 1996; which was already comprehensively presented in the previous Chapter, and will thus not be repeated here again.

(ii) Citizen participation and community development

In emerging nations community development has been undertaken to speed up economic development. The development and mobilization of human resources is central to the concept of community development. The problem is that, read in perspective, the concept of "mobilization" infers a decline of community, not its

development, and "human resources" is meant in the Western tradition of reducing men to the purposes of industrial development. In economically advanced countries, on the other hand, community development largely aims to recover the social casualties of industrial development and ameliorate its effects by making the individual economically viable again (Schneider, 1968: 131).

The above-mentioned viewpoint is important for the purposes of this discussion in so far as it emphasized:

- The need to put the community in the center of any, and all development efforts; and
- it stressed that an appropriate approach must be followed towards development, with the human being, rather than mere technical development, providing the focus of development efforts.

It remains the responsibility of the community (general citizenry) to ensure that their rights are respected in the process of development, and that they remain the subjects of development; rather than the object thereof. Schneider (1968: 133) put it as follows: "(C)ommunity development ideally became a comprehensive program to promote balanced continuous improvement of all people in a community or local area through unified efforts and according to a general philosophy of objectives and a pragmatism of method."

In conclusion it is important to emphasise that communities must be pro-actively involved in government planning for development.

6.2.1 Involvement of interest and pressure groups in the process of policy-making for development

It is important that the system and opportunities for participation should be accessible to all members of a free society, and both individuals and groups should be able to see that their contributions have a meaningful impact on the process of development-orientated policy-making (Bekker, 1995: 48). A simple definition of *interest groups* is collective groups consisting of individuals that pursue a common goal or course. According to Cloete (1991: 99) interest groups

tends to restrict its activities to a specific subject (amongst others labour, agriculture, and so forth) or geographical area (amongst others the jurisdiction of a specific local authority, and so forth).

Building on this definition, *a pressure group* can be regarded as an interest group that use aggressive means to pressurise authorities to pursue policies that will foster the group's collective interests. Cloete (1991: 99) is of the opinion that it is not always easy to distinguish between interest – and pressure groups, but the theory is that an interest group becomes a pressure group when it starts to play a political role.

Kotze (1984: 159 – 162) identified the following reasons for interest and pressure groups to influence public policy:

- Interest groups are represented on legislative bodies and thus involved in policy-making
- Members of such groups possessed unique and specialized knowledge over their specific area of competence.
- Interest groups strive to enhance their own interests.
- Political motives.
- The prevention of damaging practices (amongst others, so-called "greens" (environmentalist) groups, pressurizing for the protection of the physical environment).
- Changes in circumstances can be brought to the attention of policy-makers speedily.

A document issued by the Parliamentary Support Programme (2001: www.parliament.gov.za) expressed the opinion that "in most systems, certain people or interest groups have greater access to power and decision-makers than others." This reality is one of the real weaknesses of public participation; especially since the document also rightfully states that "(p)atterns of access will tend to reflect the socio-economic landscape and inequalities of society. Even relatively well-functioning democratic systems tend to favour the views of the powerful and organized over the poor and unorganized."

For the purposes of this study, the following interest and/or pressure groups will be identified as major role-players in the process of policy-making for development:

(i) Political Parties

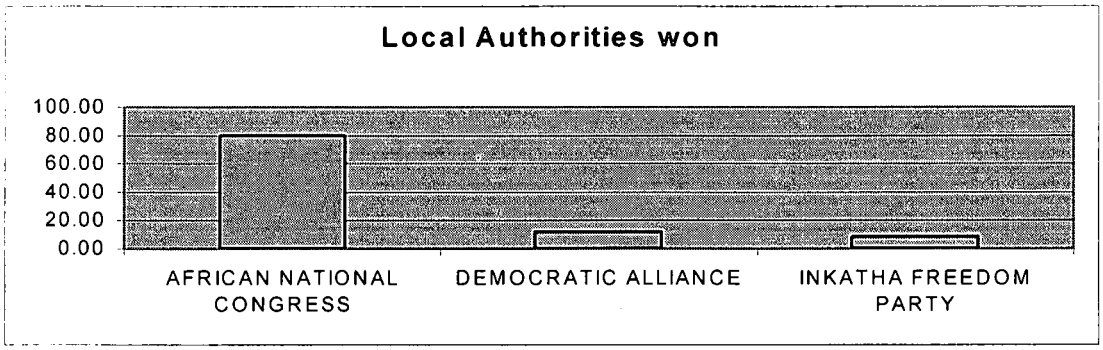
Political parties are major interests groups that play a dominant role in determining public policy for development. Anderson (1994: 297) define the term "political parties" as "(o)rganizations that nominate candidates, contest elections, and seek to gain control of the government." Most political parties are organized around ideological theories that can be regarded as the common goal or aim that they pursue. At present the comparative strength of political parties in South Africa, based on the voter support they draw during the 1999 general elections, and the December 2000 local elections are as follows:

RELATIVE POSITION OF POLITICAL PARTIES IN South Africa		
Political Party	**Seats gained***	**percent of total**
African National Congrtess (ANC)	266	66.50
Democratic Party (DP)**	38	9.50
Inkatha Freedom Party (IFP)	34	8.50
New National Party (NNP)**	28	7.00
United Democratic Movement (UDM)	14	3.50
African Christian Democratic Movement (ACDM)	6	1.50
Pan Africanist Congresss (PAC)	3	0.75
United Christian Democratic Party (UCDP)	3	0.75
Vryheidsfront – Freedom Front (FF)	3	0.75
Freedom Alliance (FA)	2	0.50
Afrikaner Eenheidsbeweging (AEB)	1	0.25
Azanian People"s Organization (APAPO)	1	0.25
Minority Front (MF)	1	0.25

Source: South African Yearbook 2000 (fromwww.gov.za/yearbook/govsys.htm)

PROVINCIAL LEGISLATURES		
Province	**Ruling Party**	**Seats gained**
Eastern Cape	ANC	47
Free State	ANC	25
Guateng	ANC	50
KwaZulu-Natal	IFP - ANC coalition	66
Mpumalanga	ANC	26

Nothern Cape	ANC	20
Nothern Province	ANC	44
North-West	ANC	27
Western Cape	DA	22



Source: South African Yearbook 2000 (fromwww.gov.za/yearbook/govsys.htm)

Information regarding the broad policy aims of political parties represented in the South African Parliament can be summarized as follows: (compile from utilizing information acquired from the South African Government's Internet web-page: www.gov.za)

Political Party	**Ideology / Interest**	**Influence on (development) policy-making**
ANC	Socio-democratic. The ANC is the governing party in South Africa, and form the tripartheid alliance in combination with former allies during the freedom struggle, namely the SACP and COSATU.	The main focus of the ANC"s development policy-framework is fundamental transformation and the upliftment of previously disadvantaged sections of the population. Recent tensions in the tri-partied alliance have caused tension that will have an impact on the scope and nature of policy formulation.
DP (DA)	The Democratic Party's support-base is primarily vested in the white voters of the country. The Party is predominantly capitalistic orientated. (Previously the dominant partner in the Democratic Alliance).	The Party's influence on the national policy agenda is very limited. The government regards the Party as a mouthpiece for a privileged group of people, closely associated with the previous dispensation. The Party was the dominant interest group

		in the former Democratic Alliance. Internal tension within this Alliance eventually caused the collapse thereof. This increased tension between the Party and the Government, and further weakened the Party's negotiation powers in the decision-making structures of the country.
Inkatha Freedom Party	The IFP's main support-base is vested in KwaZulu-Natal, and specifically amongst traditional leaders and their supporters in the Zulu nation.	The IVP's close working relations with the ANC has considerably approved its bargaining position in respect of the national policy agenda – and especially in KwaZulu-Natal.
NNP	The Party describes its dominant ideological positioning the South African politics as "Christian democratic."	The New National Party was a partner in the Democratic Alliance until it broke away from this Alliance in 2001 after a bitter row regarding the position of Mr. Pieter Marais erupted between the leader of the NNP and the DA. It is presently engaged in a "strategic alliance" with the ANC, which will undoubtedly increased its bargaining power in South African decision-making structures.
UDM	Combination of the rejected leaders: Mr. Bantu Holomisa (banned from the ANC after quarrels with former claiming that high-profile personalities in the ANC accepted bribes) and Mr. Roelf Meyer. The bulk of the Party's support-base is vested in the Eastern Cape (Transkei area) where Mr. Holomisa exercise a strong influence as the former leader of the formerly independent homeland of Transkei.	The UDM's influence on the policy-making process is limited. Violent and often clashes between supporters of the two groups (especially in KwaZulu Natal) has created a feeling of mutual resentment, and the governing parties is not too accommodating in respect of the UDM's role. Mr. Meyer's departure from the Party's ranks has definitely weakened its strategic influence; mainly due to Mr. Meyer's high standing in the eyes of politicians from all political parties.

		But does boost their involvement, and influence in the policy-making process is Mr. Holimisa's personal popularity amongst black voters in the country.
ACDP	The Party's ideology focus on Christian policies.	The Party has a high moral standing in South African politics, and taken the high percentages of South Africans associating themselves with the Christian faith and way of living, they exercise an influence on the policy-making process above what might be expected based on their actual representation in Parliaments and/or the respective Provincial Legislatures.
PAC*	The Party believes in the Africanisation of South Africa, and general supporters tend to be strongly anti-white. In the words of Mr. Thami Plaatjie, secrecy-general of the Party: "How long must the Africans still suffer in this country of excess? The "boere" live in their mansions, we are crammed into four rooms. The "boere" have swimming baths, we do not have anything to drink" (Volksblad, 2000: 5).	The PAC has traditionally been very close to the ANC and its tri-partite partners. It has been very active in the freedom struggle, and black voters generally regard it very favourable; even though they do not vote for the party. Various attempts were made in the past by ANC leaders to involved the Party's leaders in the government of the country, and in policy decision-making. To its disadvantage are the perceptions of gross anti-white sentiment in the party, with slogans such as "one framer one bullet" which has made acknowledgement of its policy proposals nationally and internationally undesirable.
UCDP	The Party's ideology is based on fostering Christian principles in public policy-making.	The Party's influence is limited, and properly more important on an intangible, moral level, rather than direct and tangible.
FF	The Party's entire existence is related to its ideal to gain self-	In the immediate post-1994 period, the governing ANC Alliance's co-operation

	dependence to the Afrikaner people in an independent "homeland."	within legislative context with the FF was better than with the NP / DP. However, it can be stated that the policy approach and policy demands of the FF is normally in direct contrast with that of the governing party, and that the Party exercise very little influence on the policy-making process in the country; especially after its very poor showing in the 1999 general elections.
FA	The Party was incorporated into the Democratic Alliance.	
AEB	The Party's main aim is to enhance the interests of the Afrikaner community. It exist of former conservative political parties that exercised considerable influence in the old South Africa, but disappeared in virtual non-existence since; such as the CP and the HNP.	The AEB has achieved only one thing; and that was to further divide the already polarized Afrikaner voters' community, and in the process the voting power of conservative Afrikaners. No actual evidence exist that the Party exercise any real and/or meaningful impact or influence on the public policy making process.
Azapo*	Azapo mainly consist of academics and professional blacks. The Party's approach is also fundamental and often radical anti-white.	Azapo is very much in the same boat as the PAC: The governing party regards it as a valuable partner in the freedom struggle, and has attempted to involved its leaders in the decision-and policy making processes in the country. However, purely based on voter-support, the party cannot be regarded as an influential participant in the process of public policy-making.
MF	The Party draw it support almost exclusively from the Indian community in the country.	The Party has been virtually absorbed by the ANC.

* There are currently talks about an alliance between the PAC, Azapo and Sopa (the Socialist Party of Azania); which might see the formation of a unified ultra-leftist political grouping (Mohale, 2001: 5).
Source: Government Internet page (www.gov.za)(except where specifically stated otherwise).

(ii) Unions

Labour unions / movements are influential and powerful pressure groups. In South Africa they often pursue their objectives aggressively and their actions, such as strikes, are often accompany by criminal behavior, damage to private property, and in extreme cases event lost of life. Although a wide variety of labour movements are active in the South African labour market, it can be stated that COSATU (Congress of South African Trade Unions) is by far the biggest, strongest, most influential and exercise the biggest influence on government policy.

COSATU's active participation in public policy-making is evident from the numerous campaigns in which they were involved since its inception. Their influence is clear from the fact that the labour movement has succeeded in pressurizing both the pre-and post-1994 government's into making policy concession in order to accommodate their proposals and wishes.

The Mineworkers Union-Solidarity is a predominantly white labour union. The Union is a broad labour movement, consisting of the five traditionally white Unions. The Union intends to be active in the fields of culture and community life (MWU Solidariteit, 2001: 2; 4).

(iii) The Media

The mass media are "media that "broadcast" their messages to large numbers of receivers with whom they have no face-to-face contact" (Ranney, 1990: 180). A free press is of vital importance for democratic policy-making.

South Africa's media is regarded as moderately free. Seleoane (2000: 15); after comparing the situation relating to press freedom in the "old" South Africa with the contemporary situation, put its as follows: "...(I)t seems that not only has the face of South Africa changed, but that media freedom is ostensibly on a much safer footing today." In the Annual Report of the Freedom of Expression Institute

confirmed this opinion by stating that "(a)lthough journalist face death and detention on a regular basis in other countries, this is not the case in South Africa where, since the 1994 election, a general respect for the media exist" (Seleoane, 1999: www.fxi.org.za).

Perhaps the thorniest issue in contemporary media circle in South Africa is the problem (perceived or real) of racism in the industry. Essop Pahad, Minister in the Presidency (2000: 4) put it as follows: "South Africa is still burdened by the special form of colonialism that has shaped our country. This legacy plays itself in various spheres of society, including the media, where the nature of public discourse is shaped by patterns of ownership and control, such as that the poor and disadvantaged remain marginalized." Simply put: The media is still predominantly in the hands of whites owners and white editors, who more often than not encouraged racism in their publications by allowing for journalists and columnists to refer to blacks in an inferior rhetoric. These editors are setting the national policy-agenda due to the fact that they controlled the medium where most of the public debate is taken place – namely the media.

In reaction to these allegations, and rising dissatisfaction on the side of the government and media-related interest groups, the Human Rights Commission instituted a probe into the allegation of racism in the media. Most of the editors of larger publications (written, - as well as spoken media) in the country were subpoenaed to testy before the Commission; which divided the country"s media fertility amongst racial lines. Black journalists and editors generally supported the inquest, while their white counterparts rejected it as unnecessary and an infringement on press freedom Rapport, 1999: 10; Editor (The Star), 1998: 18 and Willem, 2000: 8).

A Media Development and Diversity Agency has been proposed to solve some of these problems. In a draft positioning paper, issued for comment in November 2000, the proposed Media Development and Diversity Agency (MDDA) has set out its role in the South African media as follows (page 41);

- Liaison with all role-players who has an interest in new media research.

- Investigate how far it will support new media in the pursuit of media development and diversity.
- Differentiate broadcasting, print and new media – their different, interacting, uses, applications and needs.
- Develop small and community media's use of the media.
- Investigate launching and innovation programme where media are encouraged.
- Develop a policy on the MDDA's approach to new media, and the impact of convergence.

In conclusion it can be stated that the media's role in the public policy-making process is vital, mainly in view of the media's ability to influence their readers, who is eventually community leaders, clients of the government, and (ultimately) taxpayers and voters. The importance of representivity in the media also become apparent from the forthgoing statement; namely that the ownership and management of the media will eventually decide what perspectives and opinions will dominate in the media; which have profound effects on the nature and scope of the government's development initiatives.

(iv) Other participants in the process of public policy-making for development

Cloete (1987: 24 – 25) identified the following role-players in the process of public policy-making:

- Members of the ruling political party
- The members of opposition parties
- The Head of State
- Individual Ministers
- Top officials of State Departments.
- Interest or pressure groups
- Influential individuals such as heads of churches, newspaper editors, and so forth

- The government of other countries.

Another important role-player in participatory policy-making are so-called Non-Governmental Organizations (NGO's). Saayman (1996: 23) explain the importance of these kinds of organizations in the process of participation as follows: It is important to ensure that all sectors of a specific community must participate in development initiative in their regions, and that these kind of organizations must be community-based.

Public servants and other official incumbents of post where they are charged with service delivery to the community (amongst others, heads of political parties) must "remain sensitive and responsive to all parties and persons who can make inputs concerning unfulfilled needs (Cloete, 1987: 24). Hanekom (1987: 24) identify the functions of public officials in the process of policy-making as:

- Policy innovators
- Policy advisors
- Policy formulators
- Policy implementers
- Policy monitors
- Policy analysts
- Policy evaluators

6.2.2 Criteria for participation

A document issued by the Parliamentary Support Programme (2001: www.parliament.gov.za) suggested the following criteria to serve as objective standard to measure the success or failure of public participation as a practical phenomenon against:

- Public participation should encompass a sense that the public's contribution will influence the final outcome.
- The public participation process must communicate the interests' of-, and meet the process needs of participants.

- The process must seek out and facilitate the involvement of those potentially affected. That means that consideration must be given to how unorganized communities or interest groups can be brought together as participants.
- Participants should be involved in defining the manner in which they wish to participate.
- Participants should be provided with the information they need to make their contributions meaningful.
- Participants need to be informed as to the manner in which their submissions were accounted for and how they are reflected in the decisions made.

6.2.3 Participation, mobilization and legitimisation of the public policy-making process for development

"The major preoccupation of newly established states is the struggle for legitimisation and mobilization" (Bernard, 1985: 253). In light of the events in South Africa of the last decade; which witnesses the country being transformed from a white-ruled state to a Constitutional democracy, it can be stated that the country can be labelled as a "newly established state."

Ranney (1990: 11) defines the term *legitimacy* as "the general belief of the members of a society that the government's powers to make and enforce rules are proper, lawful and entitled to obedience." Mobilization, on the other hand, can be defined as "the capacity of a state to exercise influence or control over the economic and social sectors of the state to achieve desired goals (Verba, 1961). These terms are inter-dependant and crucial for the concept of policy-making aimed at sustainable development. In short: if a system of public policy-making is not legitimate, and seen as such by the community it is supposed to serve, it will not be able to mobilize the community to work together for the common good and the realization of the goal for sustainable development.

According to Bernard (1985: 253) legitimacy is not merely a function of formal and constitutional structures. It is not guaranteed by complex constitutional structures nor necessarily jeopardized by their removal. Verba (1961) put it as

follows: "It is not enough for a political system to be instrumentally effective – maintain a satisfactory economic system, respond to the demands of the various groups in the system, and so forth – it must also gain and keep the allegiance of its citizens. The citizens must give their loyalty to the particular political arrangements in their nation not merely because these arrangements satisfy their instrumental demands, but because they believe the political system to be legitimate *per se.*" The right of the state to exercise its authority and for its actions to be accepted as legitimate is the first priority of all underdeveloped countries (Bernard, 1985: 254).

Fagence (1977: 273) emphasized the necessity to ensure that citizen participation programmes should involve every person in the community. The reason why the former government was at the end of its days unable to effectively govern the country was the fact that the vast majority of the population regarded the government as illegitimate. For decades they were not involved in the policy-making process, but deliberately excluded from it. They responded to this by stemming any attempts of the government to mobilize the country's resources towards whet they regarded as development futile. The reason was exactly because they were not allowed to participate in the process of determine policy priorities for these development initiatives, and they were mostly excluded from the benefits resulting from these initiatives.

An example of active community participation in government policy for the sake of development, is the Multi-Purpose Community Center in Sebokeng, where Vaal residents joins hands with government and service organizations to ensure that government get closer to the people in respect of areas such as pensions, child support grants and unemployment insurance (Gauteng News, 2000: 1). It is, however, disturbing to learn about a senior ANC member (Ndebele, chairperson of the party in KwaZulu-Natal) remarking that all africans, colourds and indians who have voted for the DA during the 2000 local elections must be warned that their not voting for the ANC would result in non-rendering of services to them (Munusamy *et al,* 2000: 1).

It is perhaps suitable to end this passage by quoting Tapscott's (2001: 65) on the future manifestation of citizen participation in government activities. The author stated that "(n)ew and increasingly ubiquitous communications technology offer new and rich opportunities for government to move beyond broadcasting and public education to engage people deeply in governance issues. But the new and expanding group of digital citizens will be very different from Industrial Age citizens. They will be an increasingly powerful group of citizens (and voters), demanding a greater and genuine role in their own governance. These are citizens who will not wait to be asked, but will build their own networks of governance if government is unresponsive."

6.3 THE SOUTH AFRICAN POLICY-FRAMEWORK FOR DEVELOPMENT: AN OVERVIEW

One way of analyzing the scope and extent of service delivery in South Africa is to consider the vision – and mission statements of the various service delivery agencies in the country. This will provide a good indication of these institutions" core business. Such an exposition is contained in the Addendum to this Chapter. (The contents of this Addendum deals with National Departments exclusively).

Harrison-Rockey (1999: 170) identified two "levels" of transformation processes put into practice in the South African public service; namely:

- The macro-transformation initiatives brought about by changes in the regulatory and legislative framework, and
- The organizational level, the changes that have been instituted within the public service organizations so as to ensure a synchronicity between the strategic objectives of the organization and its ability to meet those objectives.

On a macro-transformation level, two policy documents have enjoyed center stage; namely:

The *Reconstruction and Development Programme* (RDP) is viewed as the cornerstone of the ANC (governing party) policy and a fundamental icon of the

reorientation of the government in terms of growth and development. It has been launched as the post-apartheid government's fundamental transformation policy (Harrison-Rockey, 1999: 170-171). The South African government established a RDP Fund in terms of the RDP Fund Act, 7 of 1995 to ensure that financial resources are effectively channeled to achieve the transformation of government, as set out in the White Paper on the RDP (Republic of South Africa, 1996: 1). *Reconstruction and Development Programme Project allocations for the 1994/95 and 1995/96 committed in 1994/95 and 1995/96 can be summarised as follows (Burger, et al 1996: 56) (Also refer to diagram 1):*

Department	Project	1994/95 R million	Carry-over R million	1995/96 R million	Total
Agriculture	Small-scale farmer development	4.0			4.0
Constitutional Affairs	Masakhane campaign			30.0	30.0
Constitutional Affairs	Upgrading of municipal services	500.0	350.0		850.0
Constitutional Affairs	Youth development center	36.9			36.9
Education	Culture of learning	100.0			100.0
Health	Clinic building programme	25.0	65.0		90.0
Health	Free health services	472.8	680.0		1 152.8
Health	Moving from tertiary to primary health			400.0	400.0
Health	Primary school nutrition programme	472.8	500.0		972.8
Housing	NURCHA*	20.0			20.0
Housing	Housing infrastructure and subsidies			1 404.0	1 404.0
Housing	Urban Infrastructure Investment Planning Team	1.5	1.4		2.9
Housing	Urban renewal	304.6	486.5	185.0	976.1
Land Affairs	Development Facilitation Act			22.0	22.0
Land Affairs	Land reforms (pilot project)	26.6			26.6
Land Affairs	Land redistribution	2.1	198.4		200.5

* National Urban Reconstruction and Housing Agency26.6

Land Affairs	Land restitution	23.8	26.8		50.6
Minister without Portfolio	Administration			20.8	20.8
Minister without Portfolio	Monitoring of projects and support			4.0	4.0
Minister without Portfolio	National information and e-mail	2.2		4.0	6.2
Minister without Portfolio	National capacity building		1.2		1.7
Provinces	Discretionary amounts	100.0		100.0	100.0
Provinces	Provincial project preparation facilities	27.0			27.0
Public Works	National public works programme	250.0			250.0
Transport	Upgrading and maintenance			100.0	100.0
Water Affairs	Rural community water programme	59.4	169.4	250.0	478.8
TOTAL		2 428.7	2 579.2	2 519.8	7 427.7

Source: Burger, et al 1996: 56

The government's macro-economic policy GEAR (Growth, Employment and Redistribution: A Macroeconomic Strategy) has been touted as the implementation plan for the RDP (Harrison-Rockey, 1999: 171). Both the intentions displayed in the RDP White Paper and in the GEAR policy document dovetail to reflect the key growth and development objectives of the government (Harrison-Rockey, 1999: 171). In GEAR, the government proposes cutting the budget deficit by reducing spending, increasing labour market flexibility, increasing government investment, and privatizing state assets to reduce the government's debt (Biggs et al, 1997: 49).

However, the GEAR policy is in a continuous struggle for survival. As far back as November 1998, Morley Nkosi, influential chairperson of the National Institute of Economic Policy (a think-tank instrumental in setting ANC economic policy) said that all the fundamentals of GEAR are in tatters and that Government must reconsider its economic policy (Getz, 1998: 6). (In light of the fact that GEAR is in essence an economic policy, it will not enjoy extensive attention for the purposes

of this Chapter, but will be discussed in more detail in the next Chapter, which deals with an analysis of economic considerations for development).

THE RDP IN A NUTSHELL

The six basic principles of the RDP	The key Programmes of the RDP
1. An integrated and sustainable Programme	1. Meeting basic needs
2. A people-driven process.	2. Developing our human resources
3. Peace and security for all.	3. Building our economy
4. National-building.	4. Democratization of the state and society
5. Link reconstruction and development	5. Implementing the RDP
6. Democratization of South Africa	*Source: RDP, 1994: I - v*

MAIN ELEMENTS OF GEAR:

- A faster fiscal deficit reduction programme.
- A renewed focus on budget reform.
- A reduction on tariffs.
- A commitment to moderate wage demands.
- An exchange rate policy aimed at keeping the real exchange rate stable.
- A consistent monetary policy aimed at preventing a resurgence of inflation.
- The gradual relaxing of exchange controls.
- The speeding up of the restructuring of state assets.
- Tax incentives to stimulate investment.
- An expansionary fiscal programme to address service deficiencies and backlogs.
- A strengthened levy system to fund training.

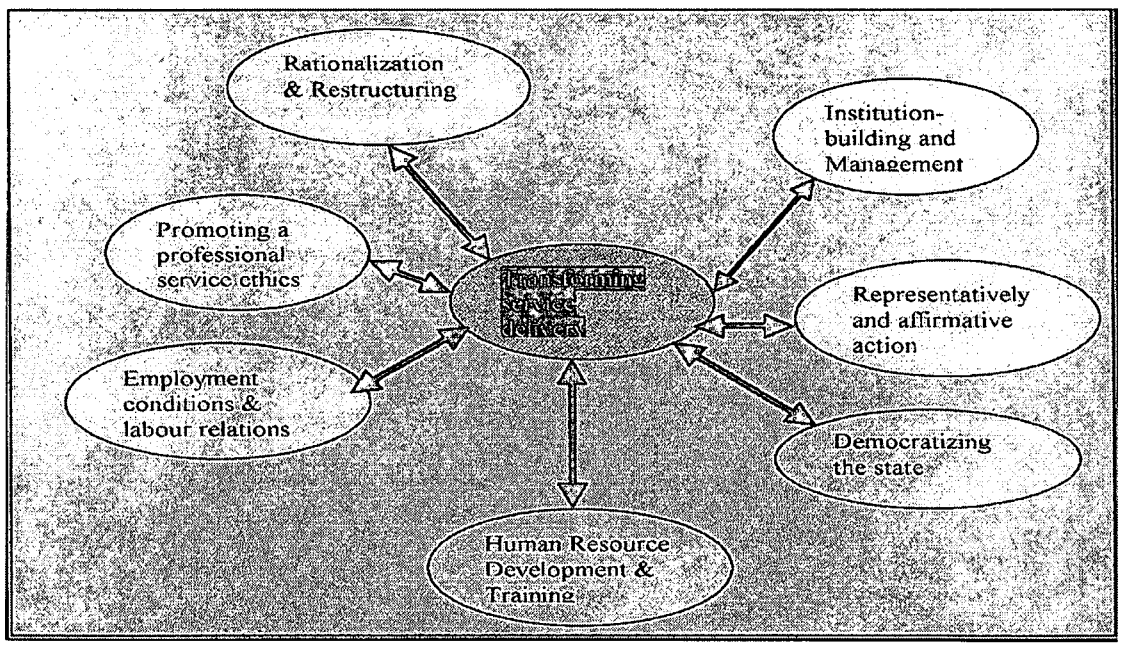
From Biggs et al, 1997: 48 – 49.

On an organizational level, the two most noticeable policy documents that were enacted to promote development are:

The *White Paper on Public Service Transformation*. The significance of this document is the fact that it refers to specific interventions aimed at ensuring a more competent and effective public service. These interventions are seen as levers to begin aligning the new public service with the intentions and vision of the RDP and GEAR policies. These interventions are designed to ensure an empowering, performance-orientated, democratized and representative workplace, thereby enhancing the ability of government to deliver services within the limitations of fiscal constrains and discipline (Harrison-Rockey, 1999: 176). Key areas of intervention described by the White Paper are (Harrison-Rockey, 1999: 176):

- Rationalization and restructuring
- Affirmative action and representivity
- Transformation of service delivery
- Institution building and management
- Human resource development and training
- Promotion of a professional ethos
- Democratizing the workplace
- Labour relations and employment conditions

The *White Paper on Transforming Public Service Delivery (Batho Pele).* The intimate and direct relationship between service delivery by public service delivery agencies and the realization of sustainable development was thoroughly discussed in chapters 1 and 2 of this study. In the light of that discussion, the importance of Batho Pele for the purposes of this analysis is self-explanatory.



Source: White Paper on Transforming Public Service Delivery, 1997: 9

The South African government has placed high emphasis on development planning; with numerous policy documents being issued to direct the process of development. In a Report of the Group on the Planning of Economic and

> Social Development of Latin America, development planning was taken to mean "that the government takes systematic measures to channel the processes of economic and social development along agreed lines and towards quantitative objectives. It, therefore, implies the deliberate selection of assignment of resources necessary for their completion. It also implies laying down terms of reference which allow the projects and activities of the public sector to be integrated ... with those of the private sector, in a systematic progression ..."(Cabanas, 1965: 69).

(ii) Analysis of the policy-framework for development

The RDP (1994: 15) identified the first priority of a democratic government as attacking poverty and deprivation. It can be stated with a fair degree of certainty that these topics did indeed dominate the post-1994 Government's policy agenda. The policy initiatives put in place to promote the realization of these thematic policy priorities were numerous and spread over a wide area of functional fields of activity. The policy-framework in place in South Africa to enhance development can best be analyzed by grouping together functional areas of service delivery in terms of the present structuring of South African service delivery agencies. Within context of such an approach, selective policy directives initiated in respect of each of these functional fields of service delivery can then be evaluated to analyze its contribution towards sustainable development. A useful way to analyze this policy framework for development is by presenting the vision and mission statements of the various service delivery agencies in the country.

6.3.1 Staff functions supportive to the execution of policy initiatives for development

Policy initiatives in respect of the following functions, although it exercises a vital impact on the quest for sustainable development, have been regarded as staff (supporting) functions. These policies guide the activities of units and activities that support actual service delivery, and cannot be regarded as direct service delivery to the community *per se*. It will form an integral part of the discussions to follow in Chapters 8 – 10, and will not be further exposed at this stage:

- The Presidency
- The South African Revenue Service (SARS)
- The Public Service Commission
- The Department of Public Service and Administration

In reaction to the recommendations the Presidency was considerably restructured in 1999. This transformation was aimed at (Office of the President, 1999) –

- Strengthening government at its core (apex)
- Appointing professional and senior staff in the Office of the President
- Foster tight co-operation with state departments

One of the key aspects of this transformation has been the combination of the Presidency and the Office of the Deputy President into one entity known as the Presidency (Office of the President, 1999). This is negative in as far as it can be regarded as yet another move to concentrate and centralize government power in South Africa. The best way to prevent the misuse of power is to de-concentrate it, because one of the most often proven realities of government power is that "power tends to corrupt and absolute power corrupts absolutely" (Lord Acton, British historian and Liberal politician, from Business Quotes, 1996: 125).

Keeton (2001: 38) gives a positive review on the changes of the Office of the Presidency. He wrote as follows in this regard: "By November (2001) President Thabo Mbeki should be able to access critical information about any sphere of

governance with the strike of a key. The presidency, fragmented under apartheid, is being transformed into an integrated executive system that has economic and rural development as a priority as well as structured links with business."

Some key features of the restructured presidency are (Keeton, 2001: 38):

- Grouping of cabinet committees, policy units and directors-general (DGs) into sectoral clusters which share common concerns and priorities, such as economic cluster.
- Establishment of an expanded advisory forum, spearheaded by Professor Wiseman Nkuhlu as economic advisor, Advocate Mojanku Gumbi (as legal advisor) and Titus Mafolo (as political expert).
- Launching of a forum of DG's (directors-General), chaired by Chikane, to share responsibilities without being confined to their line functions.
- Establishment of four consultative groups, intended to link the president to specific sectors outside of Government and democratize his office through regular meetings, namely: a big business working group, a black business working group, a trade union working group and an agricultural working group.
- Appointment of an international investment council of globally eminent chief executives to ensure effective trade and investment decision-making.
- Establishment of the President's co-coordinating council, where the President and Provincial Premiers interact and promote effective co-operative governance.

6.3.2 Special campaigns

The Government had also identified a number of specific Programmes / Projects additional to "normal" service delivery activities which form part of its governing functions. These are directly focussed on specific area of service delivery concern. Amongst the better-known of these are the following:

(a) The Mashakane Campaign

The Mashakane Campaign was launched on 24 February 1995, and focuses on the following issues (Burger, 1996: 57):

- Accelerating of service delivery.
- Local economic development compacts to use public and private sector investments to build the local economy.
- The responsibility of communities to pay for services.
- Community and local authorities must be encouraged to create the environment to maintain investments.
- Community policing to promote peace and stability.

Community education was critical to the success of the campaign. It was designed to (Burger, 1996: 57):

- address expectations and to put it in the context of affordability.
- deal with gears and perceptions.
- show sources of revenue for local authorities and government and expenditure patterns.
- demonstrate the effects of non-payment from different experiences.
- explain service standards.
- demonstrate the advantages to communities which respond positively to their obligations.
- change people's attitudes across all communities.

(b) The Millenium Africa Programme (MAP)

The MAP is an ambitious development plan initiated by President Thabo Mbeki, President Bouteflika of Algeria and President Obasanja of Nigeria. Its main theme is the socio-economic renewal of Africa. The programme includes the following elements (amongst others):

- Debt cancellation.

- Improvement of access to world markets for goods and services produced in Africa.
- Increased foreign investment.
- Increased foreign direct investment in Africa.
- Narrowing the digital divine.
- Enhance human resource development.
- Protection of the environment.

(RSA, Department of Foreign Affairs, 2001: **www.gov.za**).

The New Africa Initiative, a merger of the Millennium Partnership for the African Recovery Programme and the Omega Plan is being described as "a pledge by African leaders ... that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development" (Department of Foreign Affairs, 2001: 3).

As strategies for achieving sustainable development in the 21st century, the following preconditions is being identified (Department of Foreign Affairs, 2001: 11):

- Peace, security, democracy and political governance.
- Economic and corporate governance, with a focus on public finance management.
- Regional co-operation and integration.

The following have been identified as priority sectors (Department of Foreign Affairs, 2001: 11):

- Infrastructure.
- Information and communications technology.
- Human development, with a focus on health and education and skills development.
- Agriculture.
- Promotion of diversification of production and exports, with a focus on market access for African exports to industrialised countries.

6.4 CONCLUSION

In an open democratic society such as South Africa, it is important to realize that democracy does not start and end with the election of Parliamentary representatives. It actually starts and ends with the involvement of the community (voters). In South Africa's instance, not only are heavy weight placed on transparency, but the concept of public participation is growing in stature. A wide variety of these groups are participating in, and exercising influence on development policy-making in the country. These include individual members of the society, labour movements, political parties and Non-Governmental Organizations. Participation plays a very important role in development policy-making in as far as it legitimizes the process, and provides emphasis to it (mobilize the process of development policy-making).

It was determined during the scope of the Chapter that the policy-framework for development in South Africa centered on the following documents:

- The Reconstruction and Development Programme (RDP).
- The Growth, Employment and redistribution Policy (GEAR: A macro-economical policy for South Africa).
- The White Paper on the Transformation of the South African Public Service.
- The White Paper on Transformation of Public Service Delivery (Batho Pele).

Special Programmes such as the African Millennium Renewal Programme and the Masakhane Campaign contributes extensively to development initiatives in the country.

In the Addendum to the Chapter a short summary was made of the key responsibilities and objectives of the various service delivery agencies on a national level of government in South Africa. The intention with this was to expose the nature of development initiatives in the South African public service, captured in the strategic management framework of these agencies (their vision – and mission statements, and/or specific policy statements issued).

ADDENDUM TO CHAPTER 6

(Information obtained from the Government's Internet webpage, http://www.gov.za/dept/index.html; except where specifically indicated otherwise)

SERVICE DELIVERY AGENCY	VISION	MISSION
Agriculture	South African agriculture is visualized as a highly efficient and economically viable market-directed farming sector, characterized by a wide range of farming enterprises of varying sizes, which will be seen as the economic and social pivot of rural South Africa and which will positively influence the rest of the economy and society	Ensure equitable access to agriculture and promote the contribution of agriculture to the development of all communities, society at large and the national economy, in order to enhance income, food security, employment and quality of life in a sustainable manner
Arts, Culture, Science and Technology	To promote arts, culture, science and technology	To realize the full potential of arts, culture, science and technology in social and economic development, in nurturing creativity and innovation and promoting the diverse heritage of our nation
Communications	To improve the quality of lives of all our people, to make South Africa's future generations a knowledge-based society and help create an information economy. This will be achieved by establishing a networked information community to empower the way people work, live and play and to make South Africa globally competitive.	The Department strives towards universal service to enable ordinary people to have access not only to traditional media, but also the convenience of information technology (IT). These will include services that will create a flourishing information society such as tele-medicine, tele-education and other convenience measures that will improve the way people work, live and play, while contributing to the economic growth of our country.
Correctional Services	To be partners with the community in delivering correctional services with integrity and commitment to excellence	To render correctional services that contribute to community protection and rehabilitation of offenders and probationers through development programmes, security systems, state of the art technology and a competent workforce, while aiming to reduce re-offending.
Defense	To ensure, in accordance with the Constitution, effective defence for a democratic South Africa, enhancing national, regional and global security through balanced, modern, affordable and technologically advanced defence capabilities	To provide, manage, prepare and employ defence capabilities commensurate with the needs of South Africa as regulated by the Constitution, national legislation, and parliamentary and executive direction

Education	Our vision is of a South Africa in which all its people have equal access to lifelong education and training opportunities, which will contribute towards improving their quality of life and building a peaceful, prosperous and democratic society.	To ensure that all South Africans receive lifelong education and training of high quality.
Environmental Affairs and Tourism	A prosperous nation aware of and in harmony with the environment and deriving lasting benefits from the conservation and sustainable use of our rich natural and cultural resources	To achieve this vision, and in the spirit of our obligations in terms of the Constitution, the Department commits itself to: ◦ Promote the sustainable development and the utilisation of our natural and cultural resources ◦ Harness the skills, experience and knowledge of the environment of all South Africans ◦ Foster equitable access to the benefits derived from our natural and cultural resources ◦ Empower all South Africans through participation, environmental education, information and research ◦ Work together with all relevant stakeholders and spheres of Government in the spirit of governance ◦ Ensure that all international obligations and participation take place in accordance with the principles of the environmental policies of South Africa.
Foreign Affairs	The effective promotion of South Africa's national interests and values abroad	Enhance South Africa's international capability to ensure its sovereignty and security and to promote its policies aimed at furthering the African Renaissance, the creation of wealth and the improvement of the quality of life of all its citizens
Government Communications (GCIS)	Contributing to the involvement of the South African public in reconstruction and development, nation-building, consensus-seeking and governance by providing a comprehensive government communication service which not only provides information, but encourages the public to be heard	The GCIS has two key roles: ◦ Acting as a strategising body of the government communication system ◦ Providing cost-effective services to government bodies
Health	The Department is committed to providing quality	To provide leadership and guidance to the National Health System

	health care to all people of South Africa, to achieve a unified National Health System (NHS) and to implement policies that reflect its mission, goals and objectives.	(NHS) in its efforts to promote and monitor the health of all people in South Africa, and to provide caring and effective services through a primary health care approach
Home Affairs	To continually improve the lives of the people of the country through a transformed public service which is representative, coherent, transparent, efficient, effective, accountable and responsive to the needs of all	To provide individual status determination services in order to effectively identify an individual in relation to the RSA, thereby enhancing the quality of life
Housing	A nation housed in sustainable human settlements	To establish and facilitate a sustainable process that provides equitable access to adequate housing for everyone
Independent Complaints Directorate	A transformed South African Police Service (SAPS) consistent with the spirit and purport of the Constitution	To promote proper police conduct
Justice and Constitutional Development	To transform the justice system so that it reflects the basic constitutional ideals, as well as goals of the Government's policies on reconstruction and development	To administer justice in South Africa and to oversee state legal and legislative services
Labour	The Department of Labour will strive for a labour market which is conducive to economic growth, investment and employment creation and is characterised by rising skills, equity, sound labour relations, respect for employment standards and workers' rights	The Department of Labour will play a significant role in reducing unemployment, poverty and inequality through a set of policies and programmes developed in consultation with social partners, which are aimed at: ◦ Improved economic efficiency and productivity ◦ Skills development and employment creation ◦ Sound labour relations ◦ Eliminating inequality and discrimination in the workplace ◦ Alleviating poverty in employment ◦ The protection and enhancement of workers' rights and benefits.
Land Affairs		To create an equitable and fair land dispensation and to secure and promote the effective use of land as a resource within the context of sustainable rural development
Minerals and Energy	◦ The Department is the leader in	To provide services for effectual governance of the minerals and

	addressing past imbalances and promoting equitable redistribution of benefits derived from the exploitation of minerals and energy resources o No duplication or overlaps exists between the Department's role and other departments o The Department is the benchmark in terms of transformation success o The Department contributes towards the improvement of quality of life and the upliftment of the society o The Department is the leader in transforming South Africa's economy from the raw material based inwardly focused to and outward oriented value added material exporting economy	energy industries for economic growth and development thereby improving the quality of life of the RSA community
National Intelligence Agency	To promote peace, stability and development through excellence	To pro-actively, professionally and impartially manage, and provide the Government with, domestic intelligence and counter-intelligence, in order to enhance national security and defend the Constitution, the interests of the state and the well-being of the people of South Africa
National Treasury ** (Departments of Finance & State Expenditure merger)	Control over public finances; including assets control.	
Provincial and Local Government (Previously Constitutional Development)	To facilitate the practice of good governance and service delivery for the benefit of all South Africans through intergovernmental co-operation within the framework of the Constitution	The Department of Constitutional Development is dedicated to fulfil, in a professional and affordable manner, a strategic, catalytic, supportive and policy-making role in respect of all three spheres of Government and organs of State by: o Promoting constitutionalism and co-operative governance and o Ensuring the development of a legitimate, democratic and viable constitutional order, institutions and systems in order to promote nation-building and efficient and effective service

		delivery.
Public Enterprises	To maximise and protect the value of the state's shareholding and other interests in the assigned public enterprises and to advise the Government on the restructuring of these institutions	Evaluate the mission of the respective enterprises in the light of: ◦ Reconstruction and development programme (RDP) and paradigms ◦ New legitimate stakeholders ◦ Need to democratise decision making structures and processes within individual enterprises ◦ Demands for affirmative action programmes ◦ The call for the empowerment of employees and communities ◦ New political order and international relations ◦ Organisational resources ◦ Industry and market evolution
Public Service and Administration	A responsive public service that delivers on the government's commitment to a better life for all the people of South Africa	To render professional support to the Minister in: ◦ leading the transformation process by developing appropriate policies and facilitating their implementation through strategic interventions and partnerships, and ◦ maintaining a functioning public service
Public Service Commission	The Public Service Commission is an independent and impartial body created by the constitution to enhance excellence in governance within the public service by promoting a professional and ethical environment and adding value to a public administration that is accountable, equitable, efficient, effective, corrupt-free and responsive to needs of the people of South Africa.	The Commission aims to promote the constitutionally enshrined democratic principles and values in the public service by investigating, monitoring, evaluating, communicating and reporting on the public administration; through research processes it will ensure the promoting of excellence in governance and the delivery of affordable and sustainable quality services
Public Works		Objectives (from: Public Works towards the 21st century) ◦ Contribute towards the generation of sustainable economic

		growth ◦ Sustainable employment creation ◦ Expansion of Human Resource Development ◦ New production regimes that stress labour density for workers, and community participation. ◦ Active promotion of affirmative action. ◦ Active support for small, medium and micro enterprises. ◦ Rapid and dependable delivery of services and facilities. ◦ Increased creation of durable assets in under-developed areas. ◦ Environmental protection.
Secretariat for Safety and Security		
SA Management Development Institute	Our vision is ◦ The creation of a self-sustaining Organisation Transformation Centre of Excellence for Public Sector Service Delivery.	We will provide ◦ Customer driven training and organisation development interventions that lead to improved public sector performance and service delivery
SA Police Service	To create a safe and secure environment for all people in South Africa	◦ To prevent anything that may threaten the safety or security of any community ◦ To investigate any crimes that threaten the safety or security of any community ◦ To ensure criminals are brought to justice ◦ To participate in efforts to address the root causes of crime
South Africa Revenue Service	Our vision is to provide an excellent service in a transparent environment ensuring optimum collection of revenues	SARS is an organisation that achieves an optimisation of revenue yield; compliance with the law; high standards of client service that is equitable, transparent and related to the needs of clients; cost efficiency; public protection in accordance with Government policy; provision of reliable statistics; and advice to Government on tax matters.

		These achievements are all recognized by stakeholders through an organization that is focused; dynamic; appropriately empowered; appropriately decentralized; well integrated through a process of orientation; flexible; accountable; performance orientated towards goals, objectives and strategic direction; and supported by appropriate processes, policies, plans and resources; and By staff who are proud; motivated; skilled; professional and subject to equal opportunities
South Africa Secret Service	To conduct intelligence in relation to external threats, opportunities and other issues that may affect the Republic of South Africa, with the aim of promoting the national interests of the country and its citizens	The South African Secret Service is a civilian intelligence structure dealing with foreign intelligence
Social Development (Previously Welfare & Population Development)	An efficient and effectively managed department which delivers quality, integrated, accessible, affordable and user-friendly services to meet the social welfare and development needs of all South Africans	To facilitate an innovative, integrated, equitable, accessible, people-centred and developmental social welfare system in partnership with all stakeholders maximising the capacities of our country's population to achieve sustainable human development by the year 2000
Sport and Recreation South Africa (Previously Department of Sport and Recreation)	We are the architects of sport and recreation in Southern Africa.	To be the driving force behind the formulation and implementation of a National Sport and Recreation Policy through the establishment of a plan of action which aligns the activities of all the role players toward a common set of objectives. The process will be leveraged by the application and management of a project funding mechanism that will ensure delivery.
Statistics South Africa	The Statistics South Africa (Stats SA) produces and disseminates official statistics which support economic growth, development and democracy in South Africa. These statistics should be impartial, reliable and relevant; produced in a transparent manner; and based on data gathered from respondents protected by confidentiality rules	To be relevant to policy making for growth and development; reliable in producing timely and accurate statistics; responsive to the statistical needs of users; and representative in staffing and advisory committees

The Presidency (Office of the Presidency)		Recognising the vital role that the President of the Republic of South Africa must play in our country, and specifically in the proper functioning of Government; Believing that the Office of the President has the most important and privileged role to play in enabling the President to manifest his vision and to discharge his functions and duties to Government, to the country, and to his people; Pledging that in discharging the functions and duties to the President and his Office, to be: ◦ responsible and courteous in the dealings with the public; ◦ efficient and professional in the dealings with other organs of Government; ◦ respectful and supportive in the dealings with colleagues; and ◦ striving for excellence and to serve the President loyally and to the best ability
Trade and Industry	The Department of Trade and Industry will lead in transforming the South African economy to become sustainably fast growing, labour absorbing, fair and just, based on the values of initiative and teamwork. On the platform of an integrated South African economy, South African products and services will compete in the world economy through higher productivity, innovation, good commercial governance and strategic world-wide partnerships. South Africa will, in conjunction with allies and partners, seek to influence the global system so that it suitably integrates developing economies into the world economy	The mission of the Department of Trade and Industry, in terms of the Reconstruction and Development Programme, elaborated in the Growth, Employment and Redistribution strategy, is to implement strategies to boost initiative, teamwork, innovation, productivity and international partnerships through well-targeted support programmes, strategic and informational leadership and efficient services. Key thrusts to achieve sustainable growth, employment and redistribution are to: ◦ Facilitate the emergence of South Africa as a world-class manufacturing and trading nation (human resources, standards, support measures, regulations, governance, information, culture of innovation and change) ◦ Establish South Africa as a highly competitive investment destination

		◦ Support the development of a sustainable growing Southern African economy for mutual benefit, and as a platform for competitive global integration ◦ Economically empower historically disadvantaged individuals and communities ◦ Identify sectoral and spatial opportunities and challenges, and developing and implementing viable strategies jointly with key stakeholders. In order to achieve this, the Department must be a world-class, dynamic, strategic organisation, staffed by skilled and committed professionals who effectively represent South Africa.
Transport	We will provide safe, reliable, effective and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports Government strategies for economic and social development whilst being environmentally and economically sustainable.	We will work in a transparent, accountable and responsible manner with the Provinces and the other countries in the Southern African Region, to provide an affordable, safe and sustainable national and international transport system by: Planning new transport infrastructure and means of developing the country to improve mobility and the quality of life for all Regulating the transport system to ensure its efficiency, effectiveness, to prevent strife and create an environment of healthy competition Supporting the transport system through appropriate and justified subsidisation where necessary Managing the transport system to ensure its upkeep and so that forward planning for rehabilitation improvements and enhancements can timeously be made.
Water Affairs and Forestry	We have a vision of a democratic, people-centred nation working towards human rights, social justice, equity and prosperity for all. We have a vision of a society in which all our	The mission of the Department of Water Affairs and Forestry is to serve the people of South Africa by ◦ Conserving, managing and developing our water resources and forests in a scientific and environmentally sustainable

	people enjoy the benefits of clean water and hygienic sanitation services. We have a vision of water used carefully and productively for economic activities which promote the growth, development and prosperity of the nation. We have a vision of a land in which our natural forests and plantations are managed in the best interests of all. We have a vision of a people who understand and protect our natural resources so as to make them ecologically stable and safeguard them for current and future generations. We have a vision of a Department that serves the public loyally, meets its responsibilities with energy and compassion and acts as a link in the chain of integrated and environmentally sustainable development. We have a vision of development and co-operation throughout our region; of playing our part in the African Renaissance	manner in order to meet the social and economic needs of South Africa, both now and in the future; ◦ Ensuring that water services are provided to all South Africans in an efficient, cost-effective and sustainable way; ◦ Managing and sustaining our forests, using the best scientific practice in a participatory and sustainable manner; ◦ Educating the people of South Africa on ways to manage, conserve and sustain our water and forest resources; ◦ Co-operating with all spheres of Government, in order to achieve the best and most integrated development in our country and in our region; ◦ Creating the best possible opportunities for employment, the eradication of poverty and the promotion of equity, social development and democratic governance

CHAPTER 7

ANALYSIS OF ORGANIZATIONAL STRUCTURES AND INFORMATION SYSTEMS IN THE SOUTH AFRICAN PUBLIC SECTOR

If there is a single assumption that pervades conventional organizational theory it is that authority is the central, indispensable means of management control ... this behavior is not a consequence of man's inherent nature. It is a consequence rather of the nature of industrial organizations ...

Douglas McGregor

7.1 INTRODUCTION

No development activity is possible without some kind of formal or informal management structure responsible for enabling action. And no such structure can function without allocating certain people with the authority to take decisions and execute those decisions. The moment that this action has taken place; a formal organizational structure has been created – for the purposes of this study – a public service development agency.

No organization can operate effectively without timely and reliable information-flow within its structures, for the simple reason that no responsive decisions can be taken without these information requirements being met. In the complex structures of the modern corporate (organizational) set-up of the public service development agency, it is impossible to meet information requirements without dynamic, responsive information systems being available.

However, in an era of an increasingly complex organizational environment, the challenge is not such much to ensure adequate information systems and the existence of formal organizational structures that enable the structured execution of organizational duties, but to ensure responsiveness in organizational – and decision-making structures that will enable the organization to be responsive towards changes in its service delivery environment. Richard Koch (1998: 214 –

215) is of the opinion that organizations today violate the democratic principle. This principle is that power should be decentralized whenever possible: power should be given to people as individuals, unless power is necessarily concentrated in more aggregated forms as a result of market forces. However, modern organizations are based on hierarchy and authority and take power away from individuals. This is precisely the main theme of the analysis continued in this chapter: South African public service delivery agencies are still organized around strict lines of authority. The skin-color and gender of the persons in dominant power-positions have largely changed, and are changing fast, but the organizational foundation has not changed a bit. Organizational kingdoms are still built around power-figures in these organizations, and fear of being exposed; these "kings" (bosses) are still suppressing intrapreneurship and innovative spirit from down the chain of command.

Public service delivery agencies can only effectively implement and execute development policies if appropriate management systems, procedures and applications are in place to enable effective decision-making and the optimal distribution of scares public resources. The analysis in this regard has focussed on –

- Organisational arrangements and the management systems infrastructure available in South African service delivery agencies.
- The collection, distribution, utilisation of, and control over resources
- Implementation strategies and frameworks, with the emphasis on management interventions for service delivery, performance management, strategic management and transparency and accountability in the South African public sector.

Organisational arrangements in the South African public sector are mostly based on the principles of bureaucratic organisational arrangements where the public officialdom rules, and where dynamic interaction with the environment (read: community) entails little more than paying lip-serve to the government"s lofty ideals of community participation.

Effective information systems are required for productive decision-making. Such systems must be implemented in the South African public sector as a matter of urgency where it is still lacking, and then within the context of an organisational reality characterised by a "New Economy" context. It will be crucial for public sector service delivery agencies to function within the new organisational idiom of knowledge intensively, "flat" organisational structures and rapidly changing communication networks. It is also important that organisational structures, systems and processes must be "organic" (adaptable to changing environmental realities) and not mechanistic (static). In implementing all these changes, it could be useful to utilise the principles and theories of organisational development (OD).

7.2. THE STRUCTURAL FRAMEWORK FOR DEVELOPMENT: ORGANIZING AND ORGANIZATIONAL STRUCTURES

The main focus of organizing and organizational activity is to establish efficiency and effectiveness in service delivery. No unit can deliver services in such a way that it will make a tangible difference in the lives of ordinary people if functions are not identified, activities groups together, and authority to act appropriately allocated. Without such arrangements, no organization can be effective and efficient. Effectiveness and efficiency can thus be regarded as the main focus point of organisational activity. (These concepts will be thoroughly defined in the next Chapter, and will therefore not enjoy further attention at this stage. However, for a sense of completeness of this discussion, it is necessary to use the concepts.).

The terms efficiency and effectiveness are directly related to that of productivity. Productivity is the measure of how well an operations system functions (Stoner and Wankel, 1986: 215). Although the concept of productivity in as far as it relates to the optimal utilisation of organisational resources will enjoy detailed attention in Chapter 10, it is important to take cognise of the term at this stage in

so far as it can be regarded as an expression of excellent organisations (read: organisations capable of delivering services effectively and efficiently to the community). In order to achieve excellence, public sector service delivery agencies must:

- ensure that their goals and objectives set for service delivery are SMART[1], and
- that scares resources are optimally utilized in the realization of these goals and objectives (optimal inputs-vs.-output ratio).

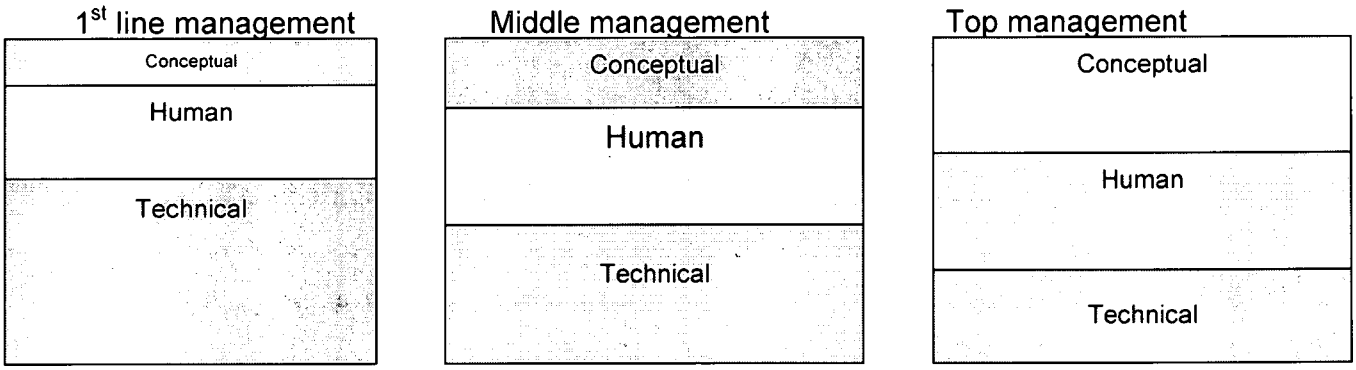
It will be useful to take cognizance of the eight attributes of excellent companies as identified by Stoner and Wankel (1986: 10 – adapted to suit the context of this study). Excellent companies must:

- Have a bias for action: a preference for doing something – anything – rather than sending a question through cycles and cycles of analysis and committee reports.
- Staying close to the community (clients, or customers) – learning their preferences and expectations and catering for their needs.
- Promote autonomy and intrapreneurship – breaking the organization into small units with maximum independence and encouraging organisational members to think independently and competitively.
- Promote productivity through people – creating in all employees the awareness that their best efforts are essential and that they will share in the success and rewards of the agency's success.
- Ensure hands-on, value-driven management; insisting that tope management keep in touch with the agency's core business.
- Stick to the knitting – remaining with the mandate given to the agency.

[1] S = Sustainable
M = Measurable
A = Attainable
R = Realistic
T = Time factors must be realistic

- Implement simple forms, lean staff – few administrative layers, a lean middle – and upper hierarchy.
- Promote simultaneous loose-tight properties – fostering a climate in which there is dedication to the core values of the agency combined with tolerance for employees who accept those values.

The quality of managerial decision-making will eventually determine organisational efficiency. It will therefore perhaps be useful to conclude the discussion on organisational efficiency and effectiveness by indicating the difference in perspective between the role of top-, middle-, and lower management in an organisation (Stoner and Wankel, 1986: 15); which reflects the structure for organisational decision-making:



Source: Stoner and Wankel, 1986: 15

7.2.1 An overview of the process of organizing

Griffin's (1999: 324) definition of the term "organizing" read as follows: "Deciding how best to group organisational activities and resources." If this process is followed to its natural conclusion, with organisational activities required for goal-achievement being identified, and the resources required to enable those activities being allocated, an organisational structure is being established. Griffin (1999: 324) defines this concept as "the set of elements that can be used to configure an organisation".

The main determinants of structure are –

- The task (technical [technological] component)
- The type of people responsible to perform these functions
- The environment in which they operate (Glass, 1991: 47).

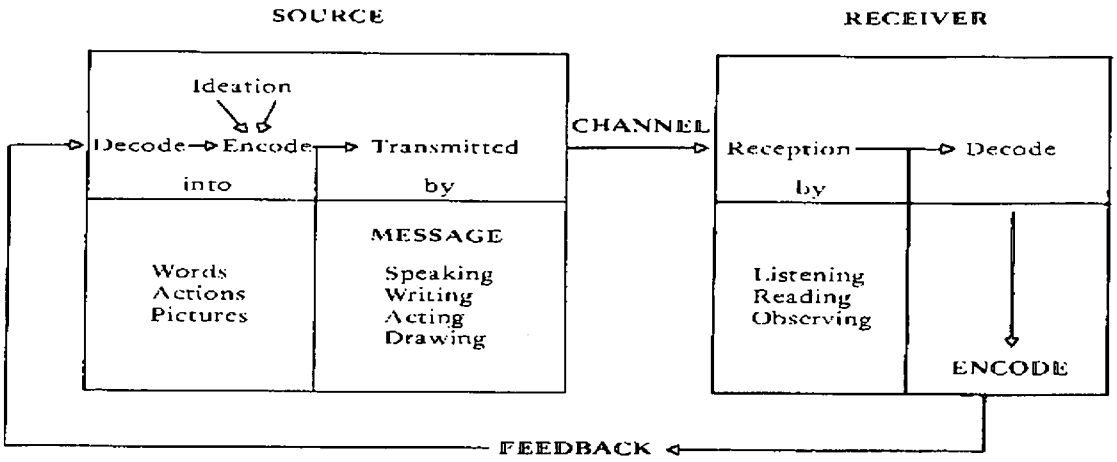
Key concepts in the process of organising are:

- *Authority.* The formal, legitimate right of a manager to make decisions, give orders, and allocate resources (Straub and Attner, 1994: 193). Authority is the key ingredient to kick-start the process of organising. The concept of *power* is directly related to that of authority, and refers to the ability of an official to exercise influence in a service delivery organisation (Straub and Attner, 1994: 196). The following types of authority can be identified:
  - Line authority: Direct supervision authority between a supervisor and a sub-ordinate (Straub and Attner, 1994: 193).
  - Staff authority: Authority to serve in advisory capacity (Straub and Attner, 1994: 194).
  - Functional authority: Authority to make decisions about specific activities undertaken by personnel in other departments (Straub and Attner, 1994: 194).
- *Unity of command.* The principle that each official in a service delivery agency takes orders from, and report to only one superior (Straub and Attner, 1994: 195).
- *Delegation.* The concept can be defined as the assignment to another person of formal authority and responsibility in a service delivery agency for carrying out specific activities. Effective delegation is crucial for the efficient functioning of such agencies (Stoner and Wankel, 1986: 306).
- *Span of control*: The number of subordinates under the direction of a manager (Straub and Attner, 1994: 192). In modern organisations, the proper span of control depends on the following factors (Baird, *et al* 1990: 211):
  - Competence of the workers and their supervisors: The more competent people are in an organisation, the wider the span of management can be.

- Co-ordination needs: Some types of work simply require more oversight, coordination, and direction than others.
- Similarity of jobs performed: If everyone is doing the same type of work, it is easier for one supervisor to oversee their efforts. If, however, several types of work are being done, the span of management has to be narrower.
- Location of work activity: When workers are geographically close to each other, the span of management can be quite wide. As the distance between workers increases, coordination becomes more difficult and the span must decrease.
- Quality of work: When work is routine and predictable, the manager"s task is to train employees and monitor performance. When the work is complex, the manger may also have to answer questions, help design solutions to new problems, and deal with non-routine manners. This reduces the span.

- *Centralisation vs. decentralisation.* A philosophy of organisation and management that concentrates authority within an organisation structure. Decentralisation refers to a philosophy of organising and management that dispenses authority within an organisation structure (Straub and Attner, 1994: 200).
- *Communication.* Communication implies a sender, a recipient, a message, some relationship between the sender and recipient, a response or effect, a context for the communication, and a range of circumstances to which messages refer (Robisnon, 1990: 27).

Koehler *et al.* (1981: 6) present the *communication process* graphically as follows:



During the communication process, information flows from a source (where it originates) to a receiver. It is important that this information (whether it is written, spoken, or virtual) must reach the receiver in a poor and useful condition. The receiver must also provide feedback to the source to monitor the efficiency of the communication process.

7.2.2 Organizational structures

Robbins (1989: 298) explanation of this term (organisational structure) is appropriate for the purposes of this study. He defines the concept as follows: "The degree of complexity, formalisation and centralisation in the organisation," with the term "organisation" being defined as "a consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals." The complexity of the organisational structures in place ("degree of vertical, horizontal and spatial differentiation in an organisation" [Robbins, 1989: 398]), and the organisation's response to the challenges of its environment, will eventually determine the nature of its organisational arrangements or form. The best-known, and most often criticised organisational form in the South African public sector is that of

bureaucracy; which can be defined (within a broad government context) as "a system centralised in a graded series of officials who administer the laws and regulations passed along to them by the elected representatives of the people" (Royal Bank of Canada, 1970: 7). The most common form of bureaucracy is that of Weberian Bureaucracy, named after the architect thereof – Max Weber. The basic concepts of this approach to organising are (converted from Marais, 1991: 227 – 231) –

- Domination – organisational structures based on rigid lines of hierarchical authority. The concept of domination is directly linked to that of authority, and Weber has identified three so-called "ideal types" of authority, namely:
  - Traditional authority – The authority based on the formalising of power by linking the authority allocated to managers and supervisors to the religious concept of all power eventually originating from God.
  - Charismatic authority – The authority based on personal characteristics of the leader, and the expectation of his or her side that sub-ordinates will follow their lead without being rebellious.
  - Legal–rational authority – This kind of authority originates from obedience to the formal correctness that originates in the positive law. Put bluntly: power-relations in organisations are based on the right of persons in positions of authority to give orders, and expected of persons in sub-ordinate hierarchical positions in the same organisation to execute these orders based on the understanding that the authority to issue these orders derived from the positive law.
- Division of labour (people become proficient when they perform standardised tasks over and over again).
- A hierarchy of authority (a formal chain of command ensures coordination and accountability).
- A framework of rules (carefully formulated and strictly enforced rules ensure predictable behaviour).

- Administrative impersonality (personnel decisions such as hiring and promoting should be based on competence, not favouritism) (Sub-paragraphs (ii) – (v): Kreitner and Kinicki, 1998: 565).

Reynolds (1980: 11) added the following characteristics of bureaucracy to the above-mentioned:

- Hierarchical structuring of institutions, offices and posts, based on the top – down distribution of authority.
- Selection and placement of personnel according to technical competency, rather than personal characteristics or political affiliation.

Subsequent social transformation and organisational reform lead towards the acceptance of the need to take into account the individual and social interactions with the development of organisational structures. This resulted in more emphasis being placed on the so-called "human relations approach" towards organising; which was characterised by (Reynolds, 1980: 13):

- Recognition that the individual must be taken into account in the design of organisations.
- Emotions and perceptions (including organisational culture) are important ingredients of any organisation.
- The social aspects of working relationships must be taken into account.
- The worker's self-image must be acknowledged in organisational design.
- The importance of informal aspects of organising (such as informal communication channels) were recognised and acknowledged.
- The concept of participatory management was introduced.

The most recent development in the field of organisational design holds that an organisation must be viewed as a dynamic organism, consisting of multi-facetted components, some technical and some human, which function in a ever-changing environment, and must regularly adapt its functions and tasks to suit these changes in its environment (Reynolds, 1980: 13). According to Thomas

(1997: 331) managers will be required to cope with two intricate diversity mixtures in their quest to respond to relentlessly changing environment, namely:

- Mixtures associated with environmental turbulence, and
- mixtures associated with organisational change and transformation.

7.3 PROPOSED STRATEGIES FOR ORGANISATIONAL RENEWAL

Organisational renewal is an integral part of the process of transformation. A transformed policy framework requires a transformed organisational structure. If rigid, hierarchical and bureaucratic organisational structures, systems and process are not able to ensure service delivery in line with the goals and expectations of achieving sustainable development, it must be changed to a state where service delivery agencies will in fact be able to meet the challenges of the New Economy[2] and effect sustainable development. Various methods exist that could be applied to change organisations without causing dramatic instability and a collapsed of service delivery structures and capacity. The two that deserves special mention are –

- *Organisational Development* as a method of introducing structural change in public sector service delivery agencies. OD can achieve five primary objectives when conscientiously applied at supervisory level, namely (Hill, 1979: 45):
  - To increase employee identification with the organisation.
  - To increase employee identification with the work group.
  - To increase employee commitment.
  - To expand the perspective of all workers.
  - To assist the manger in actively managing the work.

[2] The magazine "Business2.0" explain the term "New Economy" in terms of ten (10) driving principles; which are matter, space, time, people, growth, value, efficiency, markets, transactions and impulse. The concept is directly related to the changing reality within organisations will be expected to function in the 21st century; such as a move away from "place-based" marketing – and service delivery concepts towards a virtual dynamic; and a move away from manufacturing-based economies towards service-based economies.

- The promotion of *innovative and intrapreneurship* as a means of fostering an organisational culture of continuous renewal. Intrapreneurship refers to an innovative, entrepreneurial spirit within the context of an existing organisation. An intrapreneur must be innovative. According to Moorhead and Griffin (1995: 256) this term can be broadly categorized into three types; namely:
  - Radical innovation; which represents a major breakthrough that changes or creates whole industries or undertakings.
  - Systems innovations; which creates a new functionality by introducing new policies, procedures and ways of doing things.
  - Incremental innovation; which continues the technical improvement and extends the application of radical and systems innovation.

Applied to the situation in the South African public sector, it can be concluded that radical innovation has to do with the identification of totally new functions required for development, such as the establishment of a new state department, or the introduction of totally new service-delivery functions.

7.4 POSITIONING OF SOUTH AFRICAN SERVICE DELIVERY AGENCIES IN 21ST CENTURY ORGANIZATIONAL DYNAMICS

The South African public sector's response to the challenges of organizing in the 21st century can be analyzed on the hand of a few selective "key performance areas" of this new reality. For the purposes of this discussion, the following have been identified to serve this purpose, namely:

- A move away from mechanical complex, inflexible and pyramidal organizational structures towards leaner, flexible and more organic organisational structures. This aspect will be comprehensively analyzed in paragraph 7.5.
- Working towards electronic government.
- Changing notions of the meaning and application of the terms efficiency and effectiveness in modern day public sector organisations: Delivering

measurable value. (A changing orientation of public sector service delivery agencies away from physical - towards intellectual asset valuation).

- Client-centered service delivery.

7.4.1 Working towards electronic government

Swin and White (1992: 645) state that a true management information system is a formal network using computers to provide management information for decision-making. The goal of MIS is to get correct information to the appropriate manager at the right time, in a useful form. The question is whether the South African public sector is operating efficient management information systems. The answer is no, not yet; but good progress has been made in achieving this ideal, and the government's guiding policies in this regard is appropriate.

In its report to the President, the Presidential Review Commission (1998: Chapter 6: 39) has made the following remarks relating to electronic government: "The implementation of electronic government is probably the best way to build capacities that enable the public not only to access information but to conduct transactions with government departments. The Commission therefore recommends that government gives serious consideration to migrating to completely electronic communication within the next five years."

In a document exposing the Government's IT policy framework called "Electronic Government: The Digital Future," (2001: 4) it is stated that "e"-government must address three major issues, namely –

- *E-governance;* which is the application of IT to intra-governmental operations, including the interaction between central, provincial and local government. This includes paperless messaging and reporting, electronic document management, integrated systems for finance, asset and human resource management, as well as systems for real-time collaboration and project management, conferencing, and decision support and executive information.

- *E-services (delivery and feedback)* is the application of IT to transform the delivery of public services from "standing in line" to online: anytime, anywhere, by any means, and in interactive mode. The new delivery options also grant the community an opportunity for more active participation by collecting direct and immediate public input in respect of policy issues, specific projects, service delivery problems, and so forth.
- *E-business* is the application of IT to operations performed by government in the manner of business-to-business transactions and other contractual relation; e.g. electronic tendering and electronic payment systems.

In a document called "Communications 2000: A vision for government communication in South Africa" (1998: 1 - 2) GCIS (the Government Communication and Information System) it was determined that the better utilisation of Internet Technology will be a priority for the South African government.

7.4.2 Delivering measurable value

The Public Service IT Policy Framework (2001: 7) states that IT value should be regarded as the collective benefits, both economic and social, which are derived by all stakeholders (citizens, public servants, suppliers) from the usage of equipment, software and/or services. Based on that, IT applications should valued only if they enable their users to achieve the following benefits:

- *Increased productivity:* better output in terms of quantity and quality of traditional results, or the performance of previously impossible tasks.
- *Cost effectiveness:* due to reduction in time, complexity or possible repetition / duplication of tasks.
- *Improved Service Delivery:* achievement of the Batho Pele objectives for offering equal access to government services, more and better information, choice of level/quality of service and guaranteed standards (including privacy), remedies for failure and value for money.

7.4.3 Client-centred service delivery

Customer-driven quality is non-negotiable in the new economy. Emphasis must be placed on the quality of services and all service delivery must add value to the customer (Kellas, 1997: 23). The Reverend Frank Chikane, Director-General in the Office of the President, during an interview with Keeton (2001: 40) confirmed that information technology, and the Government's usage thereof, has already started to make a contribution to national development. Preparations for the integrated sustainable rural development project have, for instance, involved a sophisticated computer-based analysis of the country's poorest areas. The essence of this matter is that the consumer (community) will be central in the process of management for service delivery in the new economy.

7.5 ORGANIZING AND ORGANISATIONAL STRUCTURES

The major critique on the present organisational arrangements in place in the South African public sector is the fact that its structures, processes and systems are not responsive to the environment. The importance of this aspect, and the alternatives available in this regard, is neatly described by Segal (1974: 212) when he states that "(o)rganizations are viewed as utilising selective perception in arranging their units in order to respond to a turbulent environment. Chain-structured, singularly responsive organisations are highly selective and limited in their response. These organisations perceive the environment as static and homogenous. They thereby justly perform a narrow and limited function with high technical efficiency. Meditatively structured, categorically responsive organisations perceive the same turbulent environment in terms of discrete, well-comprehended processes and entities, and thereby justify forcing turbulent demands into uniform categories of organisational response. Adaptable structured, comprehensively responsive organizations respond to the full

turbulence of the environment. Organisational response to its environment influences the manner in which each organisation manages its internal units, assess its performance, gains political support, and is able to decentralise its structure."

- *Chain-structured organisations* are structured similar to the links in a chain, and deals exclusively with matter pertaining to its area of functional competency. Such structure is specifically developed to deal with environment demands on one point, namely the first point in the chain. The relevant environment of a chain-structured agency is homogenous and simple. Authority in such organisations normally flows strictly from the top to the bottom, without much deliberation or consultation (Segal, 1974: 213).
- *Mediatively Structured Organisations* is designed to relate to discrete and easily comprehended aspects of its environment. Welfare departments are normally goods examples of these kind of organisations, as they arrange their units in such a way that they mediate between a world of diversity and a uniform organisational process. Individuals may approach a welfare department with a wide range of human problems, but before the department responds, these problems are categorised into pre-established categories of programs; for instance, care for the aged, care for children, etc (Segal, 1974: 215).
- *Adaptively Structured Organisations* are organisations that respond to the full turbulence of its environment. Such organisations are designed to deal with the full and comprehensive scope of its clients" problems and do not attempt to fit the problems into its own organisational structures (Segal, 1974: 217).

The requirement of organisational structures to be responsive to environment turbulences are directly related to the distinction between so-called organic *vs.* mechanistic structures.

- *Mechanistic organisations* are organisations characterised by rules, procedures, a clear hierarchy of authority, and centralised decision-making (Baird *et al,* 1990: 227).

- *Organic organisations* are organisational structures characterised by flexibility, decentralised decision-making, and the absence of rules and procedures (Baird *et al,* 1990: 227).

The Provincial Review Report (1997: 3) has found (amongst others) the following deficiencies with regard to organisational arrangements in the public sector at the time of the inquest:

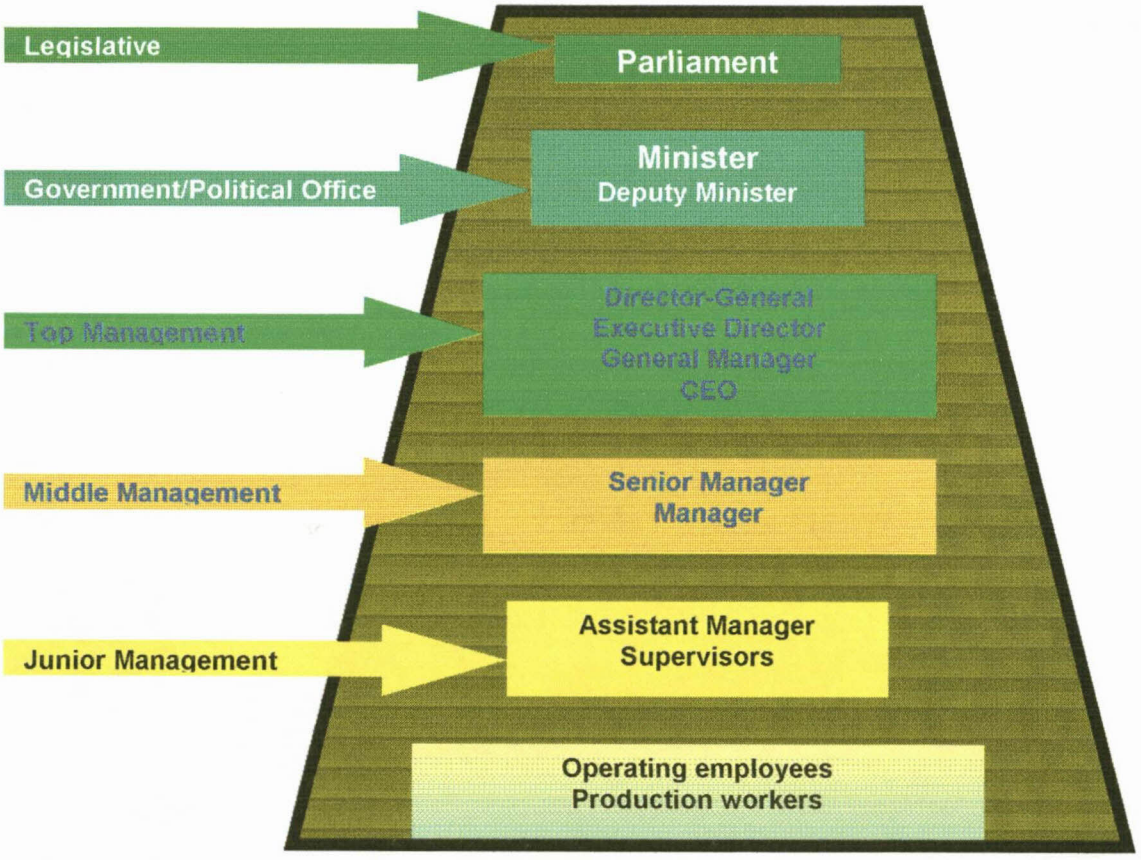
- Some provinces still need to create departmental structures in line with their functions and activities.
- Some of the key activities of government have been marginalized because they have been placed, and effectively lost, within major departments" structures.

In response to this, and related other organisational problems, the Presidential Review Commission (1998: Chapter 3: 37) recommended that, at a structural level, the former mechanical model of public and developmental administration, with its emphasis on centralisation, hierarchy, the procedural observance of rules and regulations, and insulation from the public, must be transformed. It had to be replaced with a more organic, integrative and adaptative model of corporate governance – with an emphasis on –

- The decentralization and devolution of decision-making power.
- The corresponding strengthening of managerial responsibility and accountability for results.
- The democratization of flatter organizational structures.
- The introduction of improved forms of cooperation and coordination
- The development of teamwork and a project or programme-based approach to work.
- The development of new forms of task-related rather then rule-based cultures.
- The incorporation of civil society bodies into the governance process.

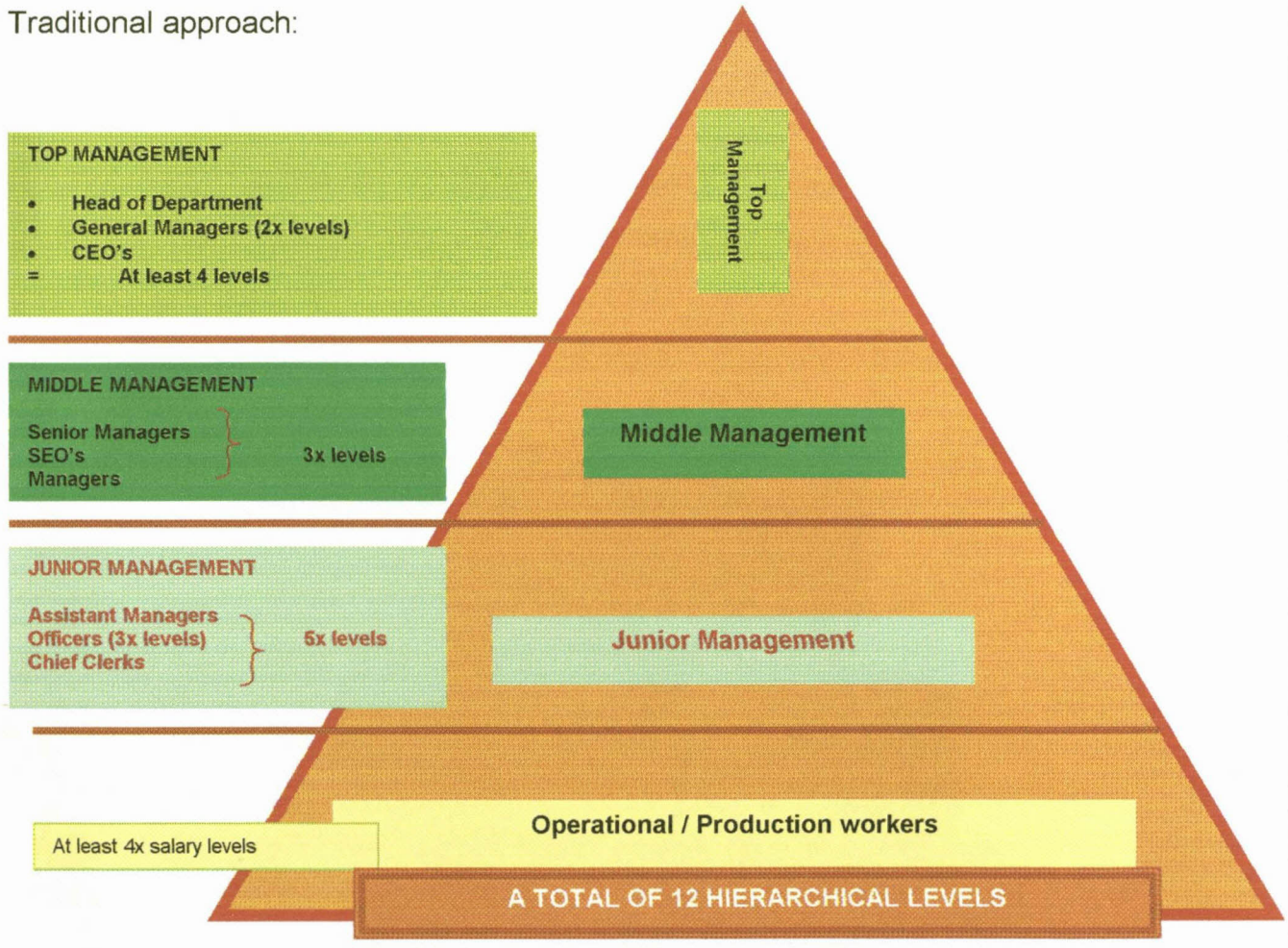
The South African public sector is operating in an environment of rapid and continuous transformation. The environment is thus dynamic and subject to continuous and in-depth change and flexibility. The bureaucratic, rigid organisational structures and processes of South African service delivery agencies are not conducive to effective service delivery in such circumstances. These structures dated back to the apartheid-era, and are directed at the maintenance of existing services, and not on development-orientated objectives; responsive to the ever-changing needs of the community.

Cloete (1991: 206) presented the basic structures (hierarchy) of an average service delivery agency in the South African public sector as follows: (The image has been adapted to reflect the new prescriptions of the CORE [Code of Remuneration]).



Although some changes in this basic structure have been introduced with the implementation of CORE (Code of Remuneration), the basic pyramidal structures, the number of hierarchical levels, and the fact that these levels are based on a principle of strict manager – subordinate power-relations have changed very little. The modern trend in the era of the information high-way and ever-increasing demands for service delivery in a turbulent environment is to opt for a flat organisation structure that function as an open system and is dynamic. Baird *et al.* (1990: 211) link tall organisational structures with "many levels of management, narrow span of control," while flat structures are linked with "few levels of management, wide span of control". The distinction can be presented as follows:

Traditional approach:



Derived from Cloete, 1991: 206 (Adapted to reflect the directives of the CORE).

For the purposes of this discussion, the following could be noted:

- The organisational structure is pyramid cal in nature. (A lot of positions based on functional authority).
- The lines of authority runs strictly from top to bottom.
- Salary and fringe benefits are mostly determined by an official"s placing in the hierarchy. Operational efficiency, rather than outputs (results) are remunerated.
- Responsibility, functions and accountability are determined by hierarchical positioning.
- Promotion is mainly dependant on promotion to a higher level in the hierarchy.
- Post-structures are fixed. Little room for contract and consultative workers exist, and structures can only be amended after lengthy staff establishment investigations, proposals and formal approval of the political authority.

Post-modern (suggested) approach ("flat" organisational structure):

Derived from a discussion in this regard by Griffin (1999: 336)

For the purposes of this discussion, the following could be noted:

- The organisational structure is "flat" (only a few positions based on functional authority).
- Authority is more advisory and supporting in nature; rather than hierarchical.

- Provision must be made for a salary structure that is based on *output* (results), rather than functional efficiency. The practical implication of this is as follows:
  - To achieve the objective of a leaner, "flatter" organisational strucuture, a solution might be to, rather than finding a Deputy Director-General, and Chief Directors in the category of top management, made provision for only one rank-level in this category. Based on functional authority it will be that of "Director." In middle management provision will only be made for one rank based on functional authority. The same principle will apply in the case of junior management and operational workers. However, the various officials within a specific category of functional authority will be remunerated in accordance with a Performance Agreement, which will centre around key performance areas, and annual monitoring of whether these key performance areas have been achieved or not.
- Responsibility must be related to the execution of specific tasks. Accountability must be ensured by pre-determined standards (key performance areas) rather than rigid, limiting prescriptions aimed at regulating the behaviour of employees.
- Organisational structures must be based on flexible teams that can re-arrange itself according to the needs identified by the community. Heads of Department (and even lower "levels" of authority) must be able to re-structure their functions according to service delivery demands (as long as they stay within budget).

(The theoretical framework for the explanations in terms of flat versus tall organizational structures has been concluded from Baird *et al.* (1990: 211) and Griffin (1999: 336 – 337)).

7.5.1 Evaluation of organizational structures in the South African public sector management set-up

The South African public sector is extremely bureaucratic in nature. Archaically structures based on hierarchical authority-lines are still by large the norm. Oosthuizen *et al.* (1998: 3) reflect the approach of this study (and subsequent the problem with such bureaucracy by stating that "... (Gradually) all industries had developed huge and cumbersome organisations comprising layer upon layer of controllers or "managers." Costs has to be controlled, quality has to be controlled, people have to be controlled – and eventually, so too did the multiple layers of management ... Companies were smothered by a monster of their own making – the corporate bureaucracy. Effective communications become virtually impossible."

However, the gradual introduction of a performance management framework in the public sector has changed, and is still continuously changing, some of the most archaic aspects of the country's bureaucratic system. The following, traditional characteristic of the position of the individual in a bureaucratic set-up can be used to illustrate the point (Botes, 1987: 81 – 82):

- Officials' enjoy a distinct social esteem in comparison with other persons. Rules and his or her designation or rank determine his or her social esteem. Educational qualifications improve the official's status and possibilities for promotion.
- The bulk of appointments are made by bureaucrats in "a higher organisational position;" that is from the top, and not from below (for instance, by the voters).
- Most positions (posts) in the public sector are for lifetime. However, the introduction of a project management approach, and (especially) a framework for performance management have somewhat changed this situation; with more and more appointments being made for a limited term, and senior execute positions being filled on a performance agreement-basis. Dismissals

must be an option if pre-agreed upon key performance standards are not met by the incumbent.

- The official bureaucrat receives a fixed salary and qualifies for a pension fund. The salary is not measured against the work performed, but against his or her status or rank. However, this has also changed considerably in the recent past, after the implementation of performance management initiatives. The CORE (Code of Remuneration) in the public sector has opened the door for remuneration packages which varies in accordance with the tasks inherent to a specific post.
  - Part III (Section B) of the Public Service Regulations, 2001 prescribes that employees employed in the Senior Management Service of the public sector must enter into a performance agreement with the political head of that specific Department. Such agreement shall (Regulation B.2; Part III):
    (a) Assist a member of the SMS to define her or his key responsibilities and priorities;
    (b) Encourage improved communication between that member and the person she or he reports to; and
    (c) Enable the person that member reports to, to assess her or his work and provide appropriate support.
- The official's post is his or her sole occupation within the hierarchy. He or she moves from the lower, less important and more poorly paid position to a higher, better paid, more prestige post. Conditions for promotion is formalistic, and mostly based on operational proficiency, rather than on results.
  - The performance orientation approach adopted for implementation in the South African public sector will slowly but certainly introduce a result-orientated approach to management and personnel evaluation, rather than the present approach of task-proficiency.
- The official is appointed on the basis of his or her expertise in a specific area. However, this is perhaps the single most unavoidable aspect of modern, big-

scale organisations: Functional specialisation remains important to ensure focus and the availability of scares knowledge.

However, in spite of all the above-mentioned criticism, it is nevertheless clear that considerable progress has been made to bring organisational arrangements in the South African public sector in par with modern approaches. The revised Public Service Regulations (Part III: Section B) established the principle that all public service delivery agencies must determine their core functions, set strategic service delivery objectives, and then design their organisational structure around these objectives. This provides strategic direction to the activities of public service delivery agencies, and pre-implied a degree of flexibility in organisational structures.

7.5.2 Centralization versus decentralization

The issue of the *centralisation vs. decentralisation in* decision-making and service delivery is directly related to intergovernmental relations. The Presidential Review Commission (1998: Chapter 3: 52 – 53) has determined that the matter pertaining to the decentralisation of organisational functions necessitates several measures; which can be categorised as follows:

- In the first place, a common culture must be created that will promote decentralised service delivery.
- Secondly, a decentralised programme has to be launched.
- Thirdly, an intergovernmental relations chief directorate needs to be established to promote effective decentralisation.

However, within the context of prior discussions in this study, with specific reference to the tendency of government to concentrate power in the hands of the central government in an attempt to control government authority in the country, it can be stated that the drive towards decentralised government has remained an ideal only in South Africa.

7.6 MANAGEMENT OF INFORMATION AND TECHNOLOGY PROCESSING SYSTEMS

Growing complexities in the environment of service delivery agencies, and the demands that it puts on management resources and abilities of such agencies have radically transformed the focus of their management activities. Intellectual capital has emerged as one of the organisations" critical resources, and the ability to built and exploit intellectual capital has become their most strategically significant capability. This means that service delivery agencies must be able to effectively acquire knowledge, store it, processed it and utilised it for innovative problem-solving (Jordan and Jones, 1997: 392 – 394).

The organisation of a service delivery agency was traditionally regarded as structures in two dimensions, namely (Nurmi, 1998: 28):

- Horizontally it is organised into functions, departments and/or units, each of which specialised in a specific area of expertise.
- Vertically it made provision for levels (or hierarchies) of authority.

A hierarchical, functional organisational structure is not contingent with knowledge-intensive firms. Horizontally, a knowledge-intensive firm cannot be strictly departmentalised, because inter-personal interaction goes beyond departmental lines. Interactions can grow into networks inside, as well as outside the organisation; and that is exactly where the creative ideas and the new products of the organisations are generated (Nurmi, 1998: 28).

Public service delivery agencies responsible for development-centred service delivery must ensure that they stay in touched with the demands put on them in the modern era of information (read: knowledge) driven management by ensuring that their information, management systems, and technology are state-of-the-art and applied effectively and efficiently.

The implications of the above-mentioned is clear: In order to stay competitive (for the purposes of this study: to secure sustainable development) organisations must maintain effective management support systems to ensure that the required

quantity and quality of knowledge are timely available to support decision-making regarding service delivery. In order to retain such and competitive advantage, or achieve it, service delivery agencies must continuously invest in new, sate-of-the-art technology. An interesting and informative perspective regarding the introduction of such technology in organisations are provided by De Keyser *et al.* (1988: 11), namely that two decision problems in connection with new technology will be potentially influencing the meaning of work, the mode of their introduction and the overall organisational division of labour.

An example of a public service delivery agency where management structural, procedural and – systems inefficiency may cause the collapse of the agency is the Department of Home Affairs (Volksblad, 2001: 2):

- The immigration control system which control the recording of movement of people over the country's boundaries is on the verge of collapse, as it cannot handle the volume of information any longer. It will cost R24 million to obtain the required technology to upgrade the system.
- Serious backlogs exist in the issuing and amendment of births, deaths and marriage certificates.
- The population register must be urgently re-written because it is not a reliable reflection of the country's growing population any longer. It makes the reliable allocation of welfare grants impossible.
- The department's microfilm population records date back to the apartheid years and were developed for a population of 10 million, and not the present 40 million.
- The department does not have adequate funds to send personnel to issue visums to overseas visitors.

7.6.1 Information and operating systems in the South African public sector

High-quality service-delivery will only materialize if all processes and systems utilized are of a high quality as well. This is where the high-tech realities of the modern world become important. Without high-tech systems and sophisticated processes, no country in the modern world will be able to meet the requirements of a competitive-driven 21st century environment characterized by ever-increasing globalisation.

In order to transform modern-day public sector institutions (such as State Departments, Provincial Administrations, and so forth) into effective service-delivery (and thus developmental) agencies, it is necessary to equip them with high-tech information and processing systems. Such an agency will require an effective personnel-, financial-, and provisioning system to ensure the availability of on-hand information for decision-making, and to create ability for the speedy and correct processing of thousands of transactions in a dynamic corporate environment. Sophisticated computerized information systems are not a luxury these days, but a necessity for effective corporate functioning.

In South Africa internal systems and processes of public development agencies are formalised (with the exception of Local Authorities) (examples are the PERSAL system [personnel / salary administration], the Financial Management System or Basic Accounting System [Accounting Systems] and the Provisioning Administration System [stock, -asset and purchasing control system]. Individual agencies' power to change or amend these systems is extremely limited. These systems are often outdated, and not able to provide on-line, timely and reliable information. In various instances they are operating centralised, and have very little practical use for either managers and/or operational personnel. (In the Free State Provincial Government, for instance, the FMS, which is exactly a system that are supposed to be operated on a decentralized basis is operated centralized. This is a cost accounting system. The results are that accounting transactions bottlenecked, and are often captured long after the goods have

been received. It further sometimes took up to a few weeks for Reports, required for decision-making, to be distributed to all Departments, institutions and offices. Information is thus outdated, and often incomplete). Some of these systems are furthermore extremely labour intensive, and unwieldy in their functioning. An example is the Provisioning Administration System. This system functions on strict rules of division of labour and authorization capacities. The implication is that some institutions and offices do not even have enough personnel to operate this system according to the prescriptions regulating the functioning thereof.

The question is whether South African public sector development agencies are able to meet the challenges of Information Management in the 21st century? The Report of the Presidential Review Commission on the reform and transformation of the public service in South Africa (1988: Chapter 6: 1) confirms the opinion expressed earlier in this study, namely that information is a fundamental resource of government. The report then identifies three inter-related aspects of the information concept; namely:

- Information Management (IM) concerns the management of information resources in government, and deals with the use of information, the roles and responsibilities of those using the information resources and the controls, performance measures and business processes and objectives related to their use.
- Information Systems (IS) focuses on applications required to manage the information resources. It is concerned with the development, operation, maintenance and upgrading of the systems used to achieve objectives
- Information Technology (IT) focuses on the technology required to support the applications or systems. It is therefore concerned with technological choices and standards required to make these choices to support the particular systems involved in the overall information management strategy.

Information management in the modern corporate reality entails much more than mere operational computerised systems. It's about the ability to communicate faster, and in the process send more reliability quality and quantity of information

to a wide variety of colleagues and clients, of ensuring the availability of on-line information for strategic- as well as tactical decision-making, and of participating actively in the international "market" of shared knowledge and mutual development assistance. IT is about creating the mechanism for continuous and repeated communication with the community affected by the services rendered by public development agencies (Derived from Kutnick, 2000: 37).

Within the framework of the discussion following it, the question set at the beginning of this paragraph will be thoroughly analysed later-on during this study, and a conclusion will be reached, but it is important to realize that an effective Information network and system can be regarded as the life-blood of modern-day development agencies, as effective contemporary service-delivery is totally dependant on the availability of effective communication-and information systems.

However, high-tech development-cantered systems and processes require far more than the existence of effective internal IT - and related systems. Which public sector development agency can build a modern highway without the availability of state-of-the-art bulldozers and earthmovers? Or which Welfare Department can effectively pay out pensions without a modern (computerized) pay-out system? The essence of this discussion is that, in an era of high-tech, modern technology, development agencies will be required to make use of the latest technology to ensure effective, cost efficient and speedy progress with quality service delivery aimed at ensuring sustainable development.

Another dimension of high-tech services aimed at ensuring high-quality service delivery, is the internal processes of development agencies aimed at service delivery. In essence it will be necessary to ensure the existence of a "high-tech" internal performance measurement system throughout the organization to ensure that such a system concentrate on output, and outcome productivity, and not so much on process efficiency. This represents a fundamental paradigm shift in the South African public sector, but is of crucial importance to promote client-orientated commitment, and ensure sustainable development.

7.7 CONCLUSION

No development can be realised without an appropriate structure that provide the body for an organisational set-up required for service delivery. The way in which the success or failure of these structures for the delivery of goods and services to the community are measured is by analysing structural efficiency and effectiveness. If an organisation is efficient, organisational resources are being utilised in such a way that cost-effective optimal service delivery can be obtained. Neither are any meaningful management activities possible without continuous, high-valued decision-making. In a modern management idiom, such decisions can only materialise if adequate information systems are available.

The underlying concept that enables movement in organisational studies is that of authority. The other elements of the organising process are all dependant on the way in which authority is exercised within organisational structures. These elements are delegation, span of control, unity of commend, the centralisation or decentralisation of decision-making authority and organisational communication.

Communication, and specifically the flow of information within organisational structures, can rightfully be regarded as the lifeblood of the management process. Proper information systems, and the accompanying introduction of electronic governance will be a prerequisite for effective and efficient management; resulting in need-based service delivery.

Once proper structures and information systems have been introduced, public sector service delivery agencies must receive the necessary management resources to enable management activities aimed at ensuring sustainability in service delivery. The allocation and utilisation of, and control over these management resources in the South African public sector will enjoy attention in Chapters 8 and 9.

CHAPTER 8

ANALYSIS OF THE MANAGEMENT CAPACITY OF SOUTH AFRICAN SERVICE DELIVERY AGENCIES

(ANALYSIS OF THE RESOURCE BASE AVAILABLE TO THE SOUTH AFRICAN PUBLIC SECTOR)

Regardless of how "efficient"
The management operation is,
It is not "effective"
Unless it keep clients happy
Sonia Rappaport
US lawyer

8.1 INTRODUCTION

Scarce resources available for service delivery in the South African public sector must be utilized productively. For this purposes of this study, the term "resources" refer to human-, physical-, information-, and financial resources. The way to analyze these resources in as far as it contribute towards the management process aimed at service delivery, is by looking at –

- How these scares resources have been collected;
- How it has been distributed;
- How it has been utilized; and
- How it has been controlled.

As far as financial resources are concerned, it has been reasoned in the study that transformed budget practices, based on the principles of performance budgeting, have been identified as a useful mechanism to distribute resources between – and within service delivery agencies. The introduction of a MTEF (Medium Term Expenditure Framework) has also given a broader, longer term

orientated perspective to the allocation of resources, and subsequently the prioritization of development requirements in the country.

The Public Finance Management Act, 1 of1999 has fundamentally transformed the way in which financial and related resources are managed in the South African public sector. The role of the Treasury, accounting officers, and the linkage between public sector budgeting, reporting, accountability and strategic planning are perhaps the most crucial of the transformation initiatives introduced by this Act.

In as far as purchasing and stock control are concerned; the most noticeable aspect of recent changes was in the field of tender and contract management; where initiatives aimed at promoting previously disadvantaged groups and small and medium enterprises dominated. Privatisation as an alternative service delivery method is also enjoying primary attention at present.

The financial policy of the government is presently being dominated by the debate around whether to follow the capitalist's route, or that of socialism. With that goes the intensive debate regarding privatization of state assets. However, productivity levels are too low to really make the country competitive on the international stage.

Financial systems and processes in the South African public sector have been considerably transformed in the recent past to support a performance-based management approach. In this regard, special mentioned can be made of the way in which the Public Finance Management Act, 1 of 1999 has changed the way in which public finances are being operated in the South Africa public sector. Budgeting systems and process have also been fundamentally transformed from a single year programme budgeting system to a medium term expenditure framework based on the principles of performance budgeting. Other characteristics of the South African financial management system are a move away from cash to accrual accounting, the progressive nature of the tax system and the changing of financial information systems to ensure timely and accurate reporting.

With financial management goes the management of assets, stock and liabilities. Two themes have dominated the recent transformation of asset and purchasing management in the South African public sector in the recent past, namely the transformation of the tendering system and procedures, and the introduction of electronic asset, purchasing and stock control systems.

8.2 THE MANAGEMENT OF RESOURCES AS A KEY ENABLER FOR THE MANAGEMENT PROCESS

No service delivery, in fact no activity or action, will be possible without resources being made available to enable such action or activity. Certain "categories" of resources must be available at given time and in any given mix to "kick start" any and all management activities. These are known as the so-called "production factors."

8.2.1 Production factors

Marx and Churr (1984: 6) identified the following as production factors in organizations: capital, raw material, labour and entrepreneurship. Without the availability of these production factors to enable the management process, no management activity can take place. The authors (Marx and Churr, 1984: 6 – 7) define the various production factors as follows:

- *Natural resources* are physical assets, such as minerals, office tools, and so forth, required to produce goods and services which are delivered to satisfy community needs.
- *Labour* is the physical and mental effort delivered by the employees of an public sector service delivery agency to enable that agency to process the other production factor into deliverable goods and services.
- *Capital* is the funds and assets required to obtain the other factors in order to kick-start the processing thereof.

For the proposes of this study, entrepreneurship and leadership will be regarded as an *innovative application* of inherent abilities and knowledge, rather than as a separate identifiable resource. This production factor will be replace with *information*. In modern organizations, resources, and the subsequent by-product thereof (knowledge) is a resource required for the management process.

Cunningham (1993: 743) defines the term information as "knowledge communicated or received concerning a particular fact or circumstance," which supports the above-mentioned perspective.

This approach is supported by Peter Drucker (quoted from Quintas, Lefrere and Jones (1997: 385)) when they express the opinion that "knowledge is the only meaningful economic resource...". This statement will be accepted for the purpose of this study in as far it emphasizes the idea that knowledge can be regarded as the life-blood of a successful post-modern society characterized by increasing global interaction and competition. If South African decision and policy makers do not realize the importance of creating a basis for a knowledge-based development framework, development initiatives (no matter how sound on paper) are bound to fail.

Carroll and Henry (1975: 571) state an important principle relating to the role of government in the utilisation of knowledge in the management of development initiatives: "Government alone cannot be equal to the task of guiding a major transformation of society that is essentially a phase in the cultural evaluation of the human species. But government is the only institution competent to mediate the critical task of reassessing priorities, of redefining goal, and of devising the means toward the creation of a material and intellectual environment in which all other social institutions can play their respective roles in the transition... The "affirmative action" most needed in the public service today is a determined effort to discover or develop administrators able to conceptualise policy alternatives and their implications and top think operational in terms of systems."

8.2.2 Functional classification of resources

The traditional classification of expenditure for budgeting purposes in South Africa; that are presently still in use, but under review, is as follows (Treasury Instructions, Chapter B):

- Personnel expenditure
- Administrative expenditure
- Stores and livestock
- Equipment
- Transfer payments
- Land and buildings
- Professional and specialized services
- Miscellaneous expenditure.

To some extent such classification can be regarded as the grouping of resources according to purpose or expenditure categories. However, the *resources* that are utilised (providing the material source(s) for action) can be utilized as follows. (These resources enable the management process)(Baird *et al., 1990: 3)*:

- Human resources (Personnel)
- Technical and physical resources (machinery, pencils, tables, computers, etc.)
- Financial resources (money)
- Information as a resource

The first three were derived from Baird *et al.'s (1990: 3)* definition of the term "management," which reads as follows: "The process of setting and accomplishing goals through the use and co-ordination of human, technical, and financial resources within the context of the environment." The last one was derived from the discussions in sub-paragraph *(i)* above.

The above-mentioned distinction is important for a proper understanding of the discussion in the remainder of this Chapter, as well as in Chapter 10.

8.2.3 Resources as key enabler of the management process: Allocation, utilization and control

It has already been established that the resources available to public sector service delivery agencies, that enables them to satisfy the needs of the community, are extremely limited. In order to enable the realization of developmental goals via public service delivery, resources must be –

- obtained from the public –cum – taxpayers (generated);
- distributed amongst the various service delivery agencies in the respective spheres of government and functional areas of service delivery (allocation);
- utilized by these agencies to achieve and promote development;
- and monitored (controlled) to ensure the development goals are achieved,

The way in which this process is structured is directly dependant on the nature of the *economic system* in place in a country. Broadly categorized, the following economic systems are to be found (Gregory and Stuart, 1995: 26; 28):

- *Capitalism* is characterized by private ownership of the factors of production. Decision-making is decentralized and rests with the owners of the factors of production. Their decision-making is co-ordinated by the market mechanism, which provides the necessary information. Material incentives are used to motivate participants.
- *Market socialism* is characterized by public ownership of the factors of production. Decision-making is decentralized and is co-ordinated by the market mechanism. Both material and moral incentives are used to motivate participants.
- *Planned socialism* is characterized by public ownership of the factors of production. Decision-making is centralized and is co-ordinated by a central plan, which issues binding directives to the systems participants. Both material and moral incentives are used to motivate participants.

Classification of economic systems:

	CAPITALISM	MARKET SOCIALISM	PLANNED SOCIALISM
Decision-making structure	Primarily decentralized	Primarily decentralized	Primarily centralized
Mechanisms for information and co-ordination	Primarily market	Primarily market	Primarily plan
Property rights	Primarily private ownership	State and/or collective ownership	Primarily State ownership
Incentives	Primarily market	Material moral	Material and moral

Source: Gregory and Stuart, 1995: 28

8.2.4 The utilization of resources and the productivity concept

Productivity is measured in terms of an input *vs.* output relation. In this regard, productivity refers to two aspects; namely effectiveness and efficiency (Geyser, 1985: 4). Epstein (1992: 171; 179) draws the following practical distinction in this regard that explains the meaning of the concepts well:

- Effectiveness is measured in terms of responsiveness to clients" needs.
- Efficiency is measured in terms of work accomplished and resources used.

Expressed in terms of a financial and economic relation, productivity is directly related to the concept of *value-for-money*. In this context, productivity (value-for-money) consist of the following elements (Cima, 1993: 465):

- *Economy*: attaining the appropriate quantity and quality of physical, human and financial resources (*inputs*) at lowest cost. An activity would not be economic, if, for example, there was over-staffing or failure to purchase materials of requisite quality at the lowest available price. The concept thus entails the purchasing of inputs, defined as the resources used to produce a service or executive a policy, of a given quality specification at the lowest possible cost (Concluded from Marx and Churr, 1984: 6).

- *Efficiency:* this is the relationship between goods and services produced (*outputs)* and the resources used to produce it. An efficient operation produces the maximum output for any given set of resource inputs; or it has minimum inputs for any given quantity and quality of product or service provided (Cima, 1993: 465).
- *Effectiveness*: this concerned with how well an activity is achieving its policy objectives or other intended effects. This concept concerns itself with achieving the top-level goals of an organization. Effectiveness is concerned with outcomes or impacts, and is realized when the impact of policy are meeting its policy aims (Concluded from Baird *et al.,* 1990: 15 - 16).

Although the concept of productivity is far-reaching and multi-facetted in nature, it will be kept simple for the purposes of this passage. The Webster's World Encyclopedia 2000 (CD-romp version) explains the concept as follows: "The ratio of output in an industrial context. It usually refers to the quantity of goods or commodities produced in relation to the number of employees engaged in the operation (*labour productivity). Total productivity* includes the input of capital also. Low productivity is the major cause of a company's decline, since it results in high costs per unit, and therefore high prices that are not competitive." Simply put: A productive economy is an economy that produces goods and services effectively, efficiently and economically, and maintain quality; meaning that the total cost incurred in generating these goods and services (inputs) must be substantially lower than the produce resulting from it (outputs). The South African economy does not perform productively. The production in the economy per worker has grown with 2,9 percent in the period 1980 – 1990. Labour unit cost, on the other hand, has risen with 163,5 percent in real terms during the same period. This means that productivity (or production per worker) has shown no meaningful increase, while laborers real remuneration has increased with 163,8 percent (Willemse, 1991: 16).

8.3 OVERVIEW OVER THE STATUS OF THE SOUTH AFRICAN ECONOMY

The change in the political system in South Africa, and the end of apartheid, freed the South African economy from perhaps the most limiting influence preventing its growth in the preceding two or three decades, namely international economic sanction. Unfortunately, the expected dynamic economic expansion did not materialized. In 1997 four South African companies were categorized under the five hundred biggest firms in the world (Anglo American, De Beers, South Africa Breweries and Sasol). In 1998 there were none (Boshoff, 1999: 1). The JSE has had a show of strength during the latter half of 1998 (Boshoff, 1999: 1), before the collapse of the Asian markets, dragging the South African markets down with it; and again in the latter half of 1999, but this came to an erupt end with the fall of the rand, the collapse of the gold price and Wall Street and the turmoil in the neighbouring Zimbabwe.

The foundation for the South African economy, and thus the ability of the country to generate adequate resources to support and enable meaningful and sustainable development, can be traced to the country's *prevailing economical ideology.* It will be safe to say that the traditional approach of the present governing party (the ANC (before it came into power in 1994)) was fundamentally expressed in the Freedom Charter.

[1] The people shall share in the country's wealth

"The national wealth of our country, the heritage of all South Africans, shall be restored to the people;

The mineral wealth beneath the soil, the banks and monopoly industry shall be transferred to the ownership of the people as a whole;

All other industries and trade shall be controlled to assist the well-being of the people;

This document has had its roots firmly set in the soil of economic socialism. In sharp contras to this, however, the macro-economical policy eventually adopted

by the government (GEAR[1]) is inherently free market orientated, and includes principles such as privatisation of state assets and adherence to basic free market principles.

In spite of this clear token that the South African government has selected the road of free market economics, the country's predominant economical ideology is far from decided. The ANC government's main tri-alliance partners, the South African Communist Party (SACP) and the Congress of South African Trade Unions (COSATU) are both adamantly opposed to the free market principles inherent to GEAR, and in same instances an active debate and re-think of this strategy (especially amongst black intellectuals) are openly promoted. Makhanya (2000: 18) put is as follows: "A first step should be to reopen the economic debate, for therein lies the key to many other societal debates... Black professional organizations and individual black thinkers will need to take the lead in the thinking around these matters. Failure to do so will only entrench the dominance of policy-making by conservative technocrats in government and perpetuate the rightward thrust of South African policymaking."

On the other side of the spectrum, free market-orientated economist hailed the government's tendencies towards capitalism and amongst these groups the "ANC (government) enjoys ... considerable support despite espousing what could be termed "Thatcherite" economic policies" (Bullard, 1999: 2). The only logical conclusion that could be made from the above is that South Africa has not yet reached finalization regarding the underlying theory to be accepted as the foundation for its economic ideology. The actions and utterances of the government are confusing and often conflicting. As long as this state of affairs continues, investors will remain cautious.

Another important variable that impacts directly on the performance of the South African economy is the state of *productivity* in the country. This aspect has been discussed extensively in paragraph 8.2.4.

[1] GEAR: Growth, Employment and Redistribution.

Inherent to capitalism is the principle of freedom in the economy. According to a thorough investigation by the Fraser Institute to determine comparative freedom of various economies in the world, South Africa ranked 56.

Statistical overview on the South African economy:

PERCENTAGE CONTRIBUTION OF VARIOUS SECTORS TO THE GDP 1993 - 1995			
Sector	**1993**	**1994**	**1995**
Agriculture, forestry and fisheries	5.5	5.2	4.4
Mining	8.8	8.6	7.7
Subtotal: Primary	13.3	13.8	12.1
Subtotal: Secondary (Includes manufacturing, electricity, gas, water and construction)	30.8	30.6	31.6
Subtotal: tertiary includes trade, catering, accommodation, transport, communication, finance, insurance, real estate, and other community, social and personal services, including the Government).	55.9	55.6	56.3
Total	100.0	100.0	100.0

Source: National Treasury, 2001: 2

In short, the performance of the economy at the time of preparing this Chapter can be summarized as follows:

- The economy grew by about 3 percent in 2000 and is expected to grow by 3,5 percent a year over the next three years.
- Government is well set to meet its inflation target of between 3 and 6 percent in 2002, with inflation expected to fall steadily throughout 2001.

- The positive effects of recent international trade agreements and the competitiveness of the rand will boost both export growth and inward investment.
- The restructuring of state assets, especially the initial public offering of Telkom 2001, will increase direct foreign investment.
- The real effective exchange rate is projected to stabilise after its depreciation during 2000 (National Treasury, 2001: 2).

See the attached Schedule XII for a comprehensive overview over the South African economy.

8.3.1 Policy-instruments for the regulation of the national economy

Government uses mainly two instruments to manipulate and regulate the economy, namely fiscal policy and monetary policy.

Fiscal policy refers to the government's plan for spending and taxation, designed to direct aggregate demand in a desired direction (Baumol and Blinder, 1985: 195). Abedian *et al.* (1997: 145) defines the term as "the government's expenditure and taxation policies, as well as the regulatory functions which have a bearing on fiscal matters such as subsidies and transfer payments. Gildenhuys (1993: 120) expand on these perspectives by stating that "(f)iscal policy means the determining of financial policy aimed at influencing national income through the manipulation of the level of the demand for goods and services. The taxation and expenditure policy as contained in the budget indeed reflects the fiscal policy of a government."

The Minister of Finance determines the *monetary policy* of the country in co-operation with the Central Bank (Reserve Bank). Monetary policy deals with matters such as (Gildenhuys, 1993: 119):

- Manipulating the money supply
- Controlling the interest rate and determine the bank rate
- Exchange control

- Control of the international balance of payments
- Credit control and determining the liquidity requirements of commercial banks and other financial institutions.
- Indirect control of the inflation rate.

8.4 ANALYSIS OF THE STATUS OF FINANCIAL MANAGEMENT IN THE SOUTH AFRICAN PUBLIC SECTOR

In the above-mentioned paragraphs it was determined that financial resources must be allocated, utilised and monitored during the management process aimed at service delivery. The limited financial resources available for this purpose were also exposed. The focus will thus now shift to the internal processes in the South African public sector whereby these financial resources are generated, allocated, recorded and controlled.

Ryan (1998: 38) made a very valid point when he stated that the current paralysis in the country's economy is a direct result of South Africa's integration with the world economy. Globalisation had become the Nineties buzz word, without due consideration of the fact that this phenomenon would make the economy more uncontrollable. The author then regards this as the paradox of the modern global economy. South Africa has undergone a far-reaching and comprehensive process of budget and financial expenditure reform the last few years since 1994, necessitated by the stipulations of Chapter 13 of the Constitution of the Republic of South Africa, 1996; which deals with financial issues.

The process of transformation was effectively kick-started with the issuing of the Draft White Paper on Financial Management and Expenditure Budget Reform (1998). The purpose of this White Paper was to establish a policy framework to guide the introduction and implementation of various strategies aimed at reforming the approach to financial management and ultimately reforming the expenditure budget of South Africa. The principles underlying to the reforms

process were as follows (Draft White Paper on Financial Management and Expenditure Budget Reform, 1998: 1):

- Promotion of responsible, responsive and effective governance.
- Promotion of openness, transparency and accountability.
- Improvement of the integrity of the budget.
- Enhancement of the involvement of the legislature in the budget process.
- Translation of the national strategic vision into spending agency strategies.

The aims of the proposed reforms were identified as (Draft White Paper on Financial Management and Expenditure Budget Reform, 1998: 5 – 7):

- Promotion of responsible, responsive and effective governance.
- Promotion of openness, transparency and accountability.
- Improvement of the integrity of the budget.
- Enhancement of the involvement of the legislature in the budget process.
- Translation of the national strategic vision into spending agency strategies.

The benefits of the proposed reforms were presented as follows by the Draft White Paper on Financial Management and Expenditure Budget Reform (1998: 7):

BENEFITS

Citizens

* Clear identification of-what it is that government aims to achieve (outcomes), and of the goods and services (outputs) that spending agencies will deliver
* Better quality and more consumer responsive services including guaranteed standards of service delivery
* Better value-for-money

Public sector managers

* Better and more relevant information to enable more effective management of spending agencies
* Greater flexibility to address the needs of the community

Legislature and executive

* Improved information on outputs and outcomes in order to assess spending agencies" performance
* Enhanced ability to allocate resources in order to achieve outcomes and treater consistency with its priorities and policies.

Draft White Paper on Financial Management and Expenditure Budget Reform, 1998: 7.

The process of financial transformation culminated in the enactment of the PFMA. The Finance Management Act, 1999 has turned financial management in South Africa on its head. Key policy issues addressed in the PFMA are the following (Explanatory memorandum to the PFMA):

- *Division of responsibility:* The Act assumes that the political head of a department is responsible for policy matters and outcomes; which includes seeking legislative approval and adoption of the department's budget vote.
  - The head official (Director-General or head of the department) is responsible for outputs and implementation, and is accountable to the legislature for the management of the implementation of that budget. This approach is in line with a performance-driven system based on measurable outputs.
- *Application of the Act:* The Act gives effect to various Sections of the Constitution (mostly those stipulated in Chapter 13). It applies to the national and provincial spheres of government, as well as to public entities under ownership-control.
  - An important objective of the Act is to put in place a more effective system of financial accountability over public entities.
- *Composition of the National Treasury.* The National Treasury comprises the former National Treasury and the former Department of State Expenditure. The Minister of Finance heads the National Treasury.
  - Powers of the National Treasury: The Constitution confers extensive powers on national government to determine the financial management framework over all organs of state, in all spheres of government. National government has a responsibility to determine uniform treasury norms and standards.
  - The National Treasury is also supposed to monitor and enforce these norms. The National Treasury implements national financial and budgetary policy, and ensure compliance.

- *Accounting Officers:* The Act vests four (4) key responsibilities in Accounting Officers, namely:
  - The operation of basic financial management systems, including internal controls in departments and any entities they control.
  - To ensure that departments do not overspend their budgets.
  - To report on a monthly and annual basis, including the submission of annual financial statements two months after the end of the financial year.
  - To publish annual reports in a prescribed format which will introduce performance reporting.

Accounting officers who are negligent and make no effort to comply with the responsibilities conferred upon them by the PFMA will face strict disciplinary action against them – and even dismissal. Similar sanctions will apply to treasury officials failing to carry out their responsibilities.

Accounting Officers are expected to appoint a Chief Financial Officer to assist them in the execution of the duties as indicated.

(i) Functions of the Chief Financial Officer

As head of the Financial Unit in a service delivery agency, the CFO must (Nair, 2000: 4)—

- Maintain close relationships with the accounting officer and all other line managers.
- Respond to changing needs for financial information and advice.
- Meet external reporting and legal requirements.
- Contribute towards the financial aspect of the strategic planning process.
- Manage the working capital, assets and liabilities of the agency.
- Maintain systems of internal control which comply with internal audit requirements.
- Undertake product and service costing tasks.

- *Voting by main division and virement.* The Act requires the legislative authority to vote by programme ("main division within a vote") rather than by departmental votes. This will require further information on outputs per programme, and will limit the powers of accounting officers to move funds between programmes. Such movement or virement will be restricted to 8 percent of the total amount allocated for the programme.
- *Improved information and timely submission of financial statements.* The Act aims to address the problem of the late submission of financial statements within government, to comply with the constitutional obligations for generally recognised accounting practices and improved transparency, and to improve financial management and accountability through better and more timely information flow. It establishes an Accounting Standards Board to determine generally recognised accounting practices for all spheres of government, including the local sphere.

8.4.1 Treasury Control

The National Treasury was established in terms of Chapter 2, Section 5 of the PFMA, 1999. The National Treasury consists of the Minister of Finance and the National Treasury. Section 216 of the Constitution of the Republic of South Africa, 1996 determines the broad functions to be performed by the National Treasury; which can be categorised as follows:

- To promote both transparency and expenditure control in each sphere of government by introducing (a) generally recognised accounting practices, (b) uniform expenditure classifications and (c) uniform treasury norms and standards.
- To stop the transfer of funds to any organ of state, after consultation with Parliament, the Auditor-General, and (where applicable) a concerned Province involved, in cases where serious and persistent breach of the measures mentioned above are detected.

8.4.2 South African budgeting practices and systems

Johson and Van Schiller (1991: 197) defines a budget as "(a) statement in financial and/or physical terms of the operational plans of an enterprise, or a specific facet thereof, for a fixed future period". Following on that, budget control is being defined as "(a) management technique involving a comparison of the projections of various items in a budget with actual performance." Adedian *et al.*, (1997: 14) states that the annual budget deals with expected government revenue, or income, on the one side, and planned government spending, on the other.

South Africa has moved from a unique so-called "Single-Year Budgeting System," to a Performance-based Programme budgeting system. The Single Year budgeting system was based on the following components (Gildenhuys, 1993: 537 – 538):

- A hierarchy of objectives, listed according to a priority-schedule.
- An activity schedule; identifying the activities to be performed to realise the budgetary objectives.
- A resource schedule; categorising the nature of resources to be utilised for the execution of activities.
- A financial schedule; indicating the financial implications of a proposed activity.

Performance budgeting was derived from cost accounting and the approaches of scientific management. It provides a basis for the use of manpower and other factors of production, the cost of such uses, the effectiveness with which they are used, and the accomplishments made in the process (productivity). The performance budget is so structured that it provides a descriptive account of the tasks and work plan for each service delivery agency (Eliot, 1983: 322), and interact directly with the process of strategic management.

With the implementation of performance budgeting in the Jamaica public sector, with problems similar to those experienced in the South African public sector, the establishment of Cost Centres were identified as a key structural requirement, and a format was prescribed that encourages performance thinking by calling on cost centre managers to address seven topics, namely:

- The *rationale* for budget requests.
- The *goals* to be achieved with the requested resources.
- The *target population*, or target market identified for service delivery.
- *Performance Criteria.* Key performance areas and standards must be identified as a tool for measurement.
- The continuous identification of *accomplishments of the current* fiscal year.
- A *work plan* that displays specific activities must be prepared, containing particulars of activities and performance indicators.
- *Alternative* courses of actions (solutions) must be identified.

The Presidential Review Commission (1998: Chapter 5: 20) has recommended the introduction of the Performance-based Programme budgeting system and has motivated its recommendation as follows: "PBPB provides a framework which integrates policy objectives, implementation strategy, required inputs, appropriation of funds, defined outputs and performance measures. Since programmes are linked to specific policy objectives, they can be ranked in terms of their priority. Programme budgeting facilitates efforts to achieve allocative efficiency, because it focuses costing and financial planning on outputs and outcomes, rather than simply on inputs undifferentiated according to the service they help deliver."

Another important transformation incentive in respect of budgeting practices introduced was the shifting of the budgeting exercise in the South African public sector from a short-term, single year perspective to a medium term, three year one. The introduction of a Medium Term Expenditure Framework for budgeting purposes was recommended in the White Paper on Financial Management and

Budgeting Reform in South Africa, with the intention of achieving the following objectives (Abedian *et al.,* 1997: 89 – 90):

- To spell out future financial implications of departmental policies and programmes.
- To assist with the evaluation of policy trade-offs by highlighting policy and programme trade-offs.
- To enable spending agencies to plan ahead with greater certainty.
- To assist Cabinet with the evaluation of policy options and with setting national priorities.
- To reduce the need for rollover of funds and to promote reprioritisation of the national agenda.

The MTEF can be regarded as a "rolling"-budget, with the first consecutive financial year becoming current as the cycle move on. The MTEF is based on performance budgeting principles that requires of programme managers to provide the following information on their delivery plans (Abedian *et al.,* 1998: 133):

- Specified programme outputs.
- Defined delivery timetables.
- Beneficiaries, with details of spatial and demographic distribution must be included.
- Delivery programmes must be continuously monitored.

(i) The management of government revenue (or income)

Government generate revenue predominantly from the following sources (Gildenhuys, 1993: 246; 284; 333; 361):

- Income taxation.
- Wealth taxation.
- Consumption taxation.
- User charges, consumer tariffs and nominal levies.

Taxes are paid either directly or indirectly. Income taxes (personal, and company tax) are examples of direct taxes. A direct tax is paid directly to the government. Value added tax and custom duties on imported goods are examples of indirect taxes. Indirect taxes are being paid to second party who then pays it over to the government (Abedian, 1997: 22).

South Africa has a *progressive* tax system – the more you earn, the higher percentage of tax you pay. Tax scales exist which in essence increase the percentage of tax payable as a taxpayer's income increases.

The South African tax rate for individuals 1995 – 1997 (Abedian, 1997: 23):

Individual	Income (R)	Tax payable: 1995	Effective tax rate (1995)(percent)	Tax payable: 1997 (R)	Marginal rate (percent) 1997	Effective tax rate: 1997 (percent)
1	50 000	12 600	25,2	12 450	41 percent	24,9
2	75 000	24 123	32,2	23 050	44 percent	30,7
3	100 000	35 750	35,8	34 050	44 percent	34,1
4	400 000	174 695	43,7	169 050	45 percent	42,3

Abedian, 1997: 23

Perhaps the most controversial initiative in respect of the tax policy in South Africa in the recent past was the introduction of the so-called capital gains tax. This was part of the re-arranging of the South African tax system which started in 1999 (Swart, 1999: 1). The basic capital gains tax inclusion rate will be 25 percent for individuals with a rebate of R10 000 for all assets disposed of during the tax year (Anthony, 2001: 15). However, the introduction of this tax option in South Africa remains controversial, as it is still doubtful whether the potential revenue to be generated will justify the high administrative cost involved in collection this kind of tax – exactly the reason why New Zealand and the Netherlands decided against the introduction thereof in their respective countries (Parsons, 2001: 5).

During the budget for the 1999/2000 financial year, wide-spread tax relief was announced by the Minister of Finance; which included (Swart, 1999: 1 and National Treasury, 2001: 2):

- Personal tax was decreased over the entire tax spectrum with about R4,5 billion; with the major slice of the cake going to the poorer sections of the tax-paying population. This was followed-up with a further cut during the 2001/2002 financial year; putting R8,3 billion back in the taxpayer's pockets – with the poorer sections of the population again the main beneficiaries.
- Company tax was decreased from 35 – 30 percent.

The establishment of the South African Revenue Service as a semi-state organization to replace the Department of State Expenditure in being responsible for the collection of taxes and other revenue on behalf of the government has been a huge success. Ever since this steps was taken, the annual projected revenue targets set in the budget was exceeded.

(ii) Managing government spending (expenditure)

An important initiative taken during the 1999/2000-budget year was the inclusion of an Survey of National Expenditure. This Survey indicates in detail what the goals of each spending agency are, how much money they have received from the budget, and which services it has delivered with this money (Van Tonder, 1999: 3). This is in line with the government's expressed commitment to performance-based budgeting practices, and a renewed commitment to public accountability.

Since its inception as integral part of the Interim Constitution, 1994, the Financial and Fiscal Commission has played a valuable and commendable role in ensuring the fair and equitable distributing of limited resources amongst the various service delivery agencies on the respective spheres of government in South Africa. In 2000 the Commission recommended that the formula, according to which money must be distributed amongst the various Provinces, must be based on the following principles (Swart, 2000: 2):

- Each province will receive a basic amount which will enable it to perform essential health, - education and welfare functions which they are expected to

deliver in terms of the Constitution. This amount must be determined according to national standards determined by the National Treasury.

- After that Provinces will receive an additional amount which they can uses according to their own discretion and priorities.
- A conditional allocation (since known as "conditional grants") will be made to Provinces to remove disadvantages in respect of capital projects, such as the building of roads, hospitals, etc.

The following table reflects actual and estimated revenue and expenditure for the comparative financial years 1995/96 to 2001/2002:

	Actual			Estimated actual	Medium term estimate		
R million	**1995/96**	**1996/97**	**1997/98**	**1998/99**	**1999/00**	**2000/01**	**2001/02**
Transfers from national budget[1]	72 885	84 700	85 958	91 811	94 259	99 424	103 983
Of which: conditional grants[1]	–	–	–	*10 275*	*7 958*	*7 353*	*7 141*
Own revenue	4 334	4 089	3 458	3 375	3 529	3 852	4 204
Total provincial revenue	**77 220**	**88 789**	**89 414**	**95 186**	**97 789**	**103 276**	**108 168**
Education	29 971	36 606	38 570	38 656	39 862	42 613	44 636
Health	16 097	20 640	22 376	22 878	23 529	25 171	26 291
Welfare	14 400	15 938	17 669	18 288	18 487	19 465	20 322
Other expenditure:							
Local government grants	1 963	2 238	1 999	1 132	463	–	–
State debt service costs[2]	1 321	1 998	–	–	–	–	–
Finance reserve	–	–	–	–	2 419	1 596	1 475
All other expenditure	12 286	14 391	14 632	13 105	12 841	13 869	14 629
Total provincial expenditure	**76 038**	**91 810**	**95 246**	**94 059**	**97 601**	**102 715**	**107 354**
Surplus/deficit(-)	1 181	- 3 021	- 5 831	1 128	187	561	814
Percentage growth:							
Total revenue		15,0	0,7	6,5	2,7	5,6	4,7
Total expenditure		20,7	3,7	-1,2	3,8	5,2	4,5
Adjusted revenue[3]		14,4	3,4	7,6	3,5	6,1	4,7
Adjusted expenditure (see Table 3.3)		20,4	6,5	-0,3	1,9	6,8	4,7
Addendum:							
GDP (R billions)[4]	564,3	631,4	696,6	749,0	811,3	878,2	949,0
CPI (percentage change)	7,8	8,1	7,6	7,6	5,5	4,5	4,0

[1] This reflects amounts shown in provincial budgets, and thus excludes agency payments and certain conditional grants that have not yet been allocated by province.

[2] This reflects interest on debts inherited by the provinces that were later assumed by the national government.

[3] Adjusted to take into account functions shifts (local government grants and state debt service costs).

[4] The historical GDP figures are those published in the June 1999 Quarterly Bulletin of the South African Reserve Bank, reflecting revisions to accommodate updated definitions of the national accounts. The projections reflect the same growth rates and inflation forecasts presented in the 1999 Budget, but are applied to the revised GDP estimates.

Source: Department of Finance (1999: 33).

South Africa's budget for the 2001/2002 financial year can be presented in a nutshell as follows (National Treasury, 2001: 1):

Budget priorities:

- Economic development and job creation
- Poverty alleviation
- Skills development
- Ensuring safety and justice

In conclusion, a general overview over the South African budget position, as projected until the year 2003 can be presented as follows:

R billion	2000	2001	2002	2003
Gross domestic product	875,9	965,2	1 050,2	1 133,8
Real GDP growth (%)	3,0	3,5	3,7	3,3
Consumer price inflation				
Headline CPI (%)	5,3	6,1	4,9	4,6
CPIX (%)	7,7	6,6	5,3	4,7
	2000/01	**2001/02**	**2002/03**	**2003/04**
Main budget revenue	**213,4**	**233,5**	**252,9**	**273,1**
% of GDP	*23,8%*	*23,6%*	*23,6%*	*23,6%*
Total expenditure	**235,1**	**258,3**	**277,3**	**297,5**
% of GDP	*26,2*	*26,2*	*25,9*	*25,8*
Deficit	**-21,7**	**-24,9**	**-24,5**	**-24,4**
% of GDP	*-2,4*	*-2,5*	*-2,3*	*-2,1*
Debt service costs	**46,2**	**48,1**	**49,7**	**51,0**
% of GDP	*5,1*	*4,9*	*4,6*	*4,4*

Source: Department of Finance (1999: 54).

8.4.3 Cash Management in the South African public sector

Although the basic principles of accounting are the same in both commercial, and government accounting, it is in the application of some of these principles, and the institutional framework in which it operates, that government accounting stands apart. The commercial firms draws it revenues from the sale of services or goods; in government income is derived from the use of government"s coercive power to impose taxes. In certain areas goods and service are offered for sale but their proceeds do not constitute a major part of government"s revenues. A Board of Directors manages the firm. Representing the shareholders. The community through its elected representatives manages government. In business the purpose of information is primarily to serve internal

needs, and the information given to the public is to meet the investors" requirements or accountability to the community. The shape of accounts is moulded by the purpose of the organisation that it is expected to serve. In the government the purpose that dominates is that of accountability. There are other systemic differences too. In the commercial world double-entry bookkeeping continuous to be the major theme. It aims to preserve the balance between assets and liabilities. Each transaction has a dual effect on the assets or the liabilities of the owner"s equity. In a number of governments, however (excluding those of Western European countries) such double-entry bookkeeping is not considered essential and accounts are maintained on a single-entry basis. Another difference is in the calculation of depreciation. In the commercial world depreciation is calculated over the life of the asset and is charged as an operating expense. If the overall sale proceeds are not equal to depreciation and other expenditure, it implies that the investment in the assets has not been recovered. In government, however, this is not necessarily calculated as such (Eliot, 1983: 381 – 382).

A cash management program consists of four distinct components, namely:

- cash mobilisation,
- cash forecasting,
- banking relationships, and
- investment management (Hackbart and Ramsey, 1993: 290). Transformation in respect of costing and - accounting practices in the South African public sector were primarily based on the recommendations of the Presidential Review Commission (1998: Chapter 5: 21 – 22), and can be presented as follows:
  - *Costing:* Resource based costing was traditionally commonly used in the South African system of financial planning. All personnel, equipment, facilities, and so forth, regardless of whether they are actually needed for service delivery or not, were budgeted for and included in cash flow projections. Overhead costs are often overlooked.

The new approach of activity-based costing, based on the principle of identifying the inputs required for each activity or programme has been introduced in the South African public sector. The cost of overheads common to all or several activities is appropriated on the basis of agreed and transparent criteria. Within the proposed performance-based programme such approach to budgeting is a more appropriate method.

- *Accounting systems.* The system traditionally used in the South African public sector was based on the principles of cash accounting. It recognise all cash inflows and cash outflows. Within this systems cashbooks existed, but no balance sheets because there were no assets or liabilities in the books other than cash balances. Sales are only recognised when cash is received (so there are no debtors); purchases are only recognised when cash if paid (so there are no creditors). There are no stock adjustments because the accounts are not concerned with registering usage only with the fact that cash has been paid for purchases. There are no fixed assets.

  With the accrual accounting system, revenue and costs are recognised one step earlier as is the case with cash accounting. The most important advantage of this system is that it encourages sound resource utilisation, by forcing managers to be concerned with the efficient utilisation of public assets. Another advantage is the fact that cost is spread over the useful life of assets as an annual depreciation charge. This facilitates true costing of outputs and performance measurement.

8.5 PURCHASING, ASSET AND STOCK CONTROL

Purchasing and stock control are essential aspects of financial management in the public sector. The majority of the State"s assets are caught up in the form of intangible assets such as land, buildings, equipment, stores and consumables. The South African public sector, on National and Provincial spheres, is making use of the so-called PAS (Provisioning Administration System). The PAS is a

fairly complicated, and labour intensive systems, build around control, rather than operational efficiency. The system essentially functions around the principle of the division of activities; with the main activities within the system being (PAS Manual, Chapter 8 and 9):

- The Accounting Section. This Section handles all administrative functions in respect of provisioning administration.
- Warehousing. The physical handling and safekeeping of stock and stores.
- The transit function. A flow point through which all incoming and outgoing stores pass, and where quality and quantity control are exercised.

The most reliable way to analyse the effectiveness of the PAS is to measure the sub-systems thereof against generally recognised efficient and effective procurement procedures. However, in light of the fact that the PAS is a comprehensive and extensive stock-control system, this study will only provide a short overview on the main features thereof in as far as it complies, or not, with such generally recognized procedures. Arangies (1990:37 – 38) identified the following procedure as inherent to the purchasing activity. (The subsequent analysis of each of purchasing activity is based on the author's personal experience and understanding of the PAS):

Purchasing activity	**Analysis**
Recognition of a need	The PAS provides for a system of "internal requisitions," whereby the various components within the structures of a public sector service delivery agency can request the ordering of goods or services required for the execution of their activities. An extensive system of forms has been developed to cater for this function.
Description of the item required	Specifications, and rather exact ones as well, is an important part of the procurement policy of the PAS. Exact specifications to identify the product or

	services required must be provided before potential suppliers are approached.
Selection of the supplier	The processes whereby suppliers are approached are directly related to so-called PAS delegations. Although such delegations can vary, depending on what has been authorized by the Treasury (National or Provincial) concerned, the procedures are more or less as follows: (a) Purchases of R500,00 or less have to be obtained by utilising the petty cash facilities. For such purchases, only one quotation is required. (b) Purchases between R500,00 and R30 000,00 can be made by obtaining comparative quotations from at least three potential suppliers. For purchases exceeding R30 000,00 tenders or contracts have to be arranged.
Determination of price and availability	"Normal" procedure according to PAS policy is that the local supplier quoting the lowest price will be the successful supplier. If only one such supplier exist, this must be certified in writing. However, the tender and contract procedures provide for a point system whereby locality and the promotion of previously disadvantaged businesses owners are advantaged (additional to price).
The placement of an order	The Accounting Section places orders after comparative quotations have been provided.
Follow-up of outstanding orders	The Accounting Officer is responsible for

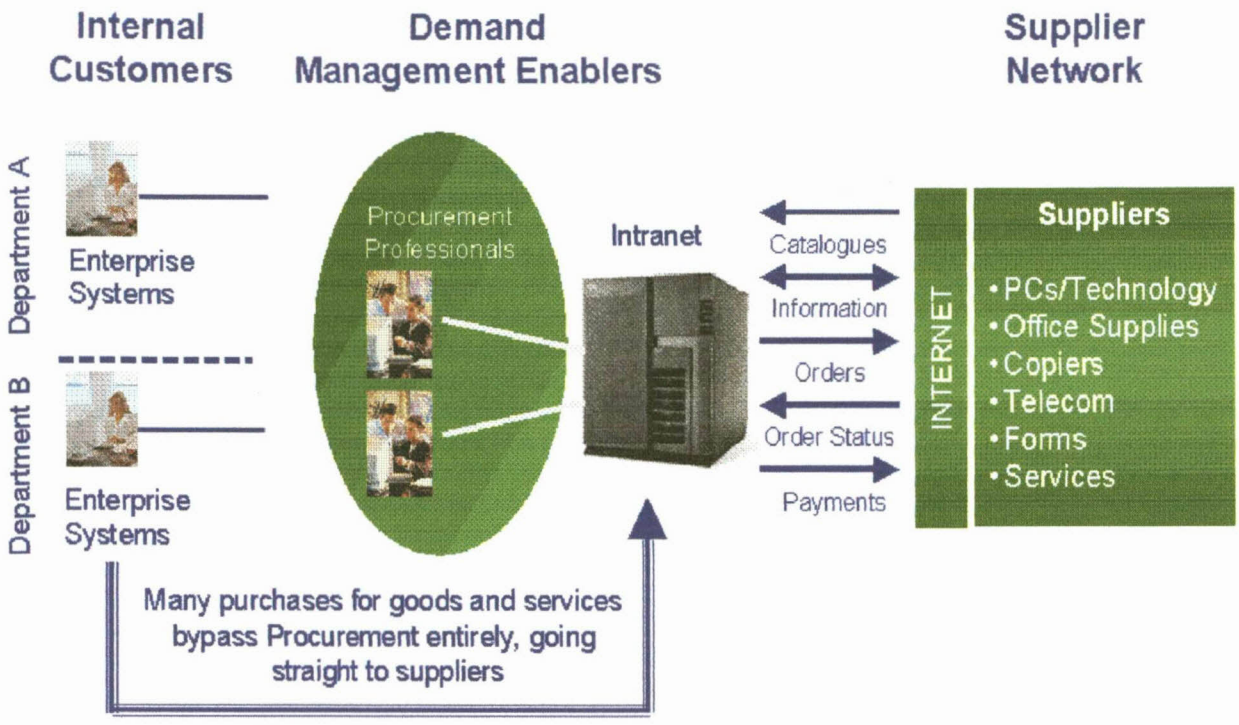
	recording the delivery dates of orders and the following up outstanding ones.
Checking of invoices	When goods and services are received, the quality and quantity are checked against the specifications before the invoices are certified and authorised for payment. This is the function of the Transit Section.
Processing of deviations and contradictions	Where any deviations and/or contradictions between specifications and goods/services delivered are identified, such goods and services cannot be paid before credit has been obtained, the specifications have been met, or the goods have been returned.
Conclusion of completed transactions	When it has been determined that goods and/or services received are adequate and that the specifications have been met, orders are certified accordingly and send to the Accounting Section for payment.
Record-keeping	All provisioning – and related documentation must be kept for a lengthy period (more or less 7 – 10 years) for audit purposes.

8.5.1 Electronic procurement in the public sector

In the new economy, eProcurement is fast emerging as the model procurement method in both the public, as well as the private sector. Simply defined, eProcurement is the electronic purchasing of goods and services via the Internet, in which (De Witt, 2000: 18):

- Users search an easy-to-use, browser-based product catalogue;

- The request is automatically routed for online approval, and
- The purchase order is electronically created and sent directly to the supplier.



Source: De Witt, 2000: 18

eProcurement has not yet been introduced in the South African public service; other than the occasional utilization of e-mail facilities to communicate with prospective suppliers.

8.5.2 Tender and Contract Administration

In its report to the President, the Presidential Review Commission (1998: Chapter 5: 27) has remark as follows regarding procurement in the public sector: "Procurement policy is a controversial and much debated area in the South African public service. Tender regulations and Tender Board procedures are regarded as problematic by a large number of national and provincial departments, judging from their presentations before the PRC. Departments often see the procedures as too bureaucratic and transparent enough. In many

cases, delegation limits are perceived to be set too low to be appropriate. Unnecessary delays occur as even very small purchases are referred to provincial Tender Boards. Protracted tender procedures are one of the main explanations given by departments for the frequent delays in service delivery, especially in infrastructure departments."

The Commission has recommended that procurement reform must focus on two primary areas, namely (Presidential Review Commission Report, 1998: Chapter 5: 27):

- The elimination of corruption in the tender process, and
- the creation of an enabling environment for small, medium and micro enterprises.

Government's ultimate transformation of the procurement policy in the country was very much based on promoting black empowerment (especially via promoting SMME's). The following key performance areas where identified with the formulation of the vision proposed in response to the challenge for procurement reform (Green Paper on Public Sector Procurement Reform in South Africa):

- The need for value for money.
- The need to eliminate corruption in the procurement systems.
- The need for contractors to have "good standing" insofar as their tax and service charge obligations are concerned.
- Implementation of system of control and accountability.
- Uniformity in procedures, policies, documentation and contract options.
- Effective monitoring and reporting.
- Skills development of key procurement personnel.
- Specific areas of procurement excellence such as Information Technology.
- Value for money improvements.
- Integrated procurement processes to focus on whole life costs and benefits.
- Total Quality Management.
- Bench-marking procedures and performance to world class standards.

- Networking of procurement departments (information sharing).

8.5.3 Privatization

Gorman (1989: 43) defines the term "privatization" simply as the "switching (of) production of goods and services from the public to the private sector," and then identify three methods of privatization, namely:

- *Denationalization:* Selling government-owned enterprises to the private sector.
- *Deregulation.* Deregulation involves removing statutory monopolies; for example, abolishing restrictions on bus services.
- *Contracting-out.* Involves allowing private firms to bid for the supply of public services, for instance hospital cleaning, provision of food to jails, and so forth.

Gorman (1989: 45) presents the following arguments in favour of, - and against privatization:

For (In favour)	***Against***
It will lead to greater competition and efficiency. With more competition, producers will have to provide better and cheaper goods and services.	Privatization does not necessarily increase competition of efficiency, e.g. the privatization if the British Telecom and British Gas has converted public sector monopolies in to private sector monopolies. Contracting-out of public services has also led to complaints about the standard of work of private contractors in hospitals and government offices.
Consumers will benefit from greater choice and better services.	Consumers have not always benefited, especially where competition has not been increased.
Taxpayers will benefit from cheaper Government services and lower payments to support nationalised industries. Denationalisation has provided several billion rands of revenue to Governments all over the	Privatization costs the Government money. In some cases public corporations have been sold at less than their real value, and the profits from industries such as gas and telecommunications will be lost to future

world.	governments. The government has had to "write-off" debts to sell the corporations.
Privatization has increased the number of people owning shares in companies. By increasing share ownership among consumers and workers, government hopes that people will have a stake in the success and efficiency of industry.	Increased share ownership has made little difference. In Britain, many people have sold their shares for quick profit. They are still unwilling to buy shares with any real risk.

Another interesting development in the country was the publication of the White paper on Municipal Services Partnerships in April 2000. The initiative is primarily aimed at addressing the municipal infrastructure and service backlog, and can be regarded as an attempt by the Government to actively promote the private sector, at the expense of the public sector, as the mechanism for municipal service delivery. If such initiatives are well structured and properly implemented, MSP arrangements can lead to significant improvements in the efficiency of service delivery. Greater efficiency means improved service delivery, while enabling municipal authorities to stay within their budgets (White paper on Municipal Service Partnerships, 2000: 9 – 10).

South Africa's purpose with privatization is similar to that of Nigeria; one of the country on the African continent engaging in a programme of privatization. If government privatise state assets which are often over-bureaucratic, more resources will be made available to delivery essential services such as health care and welfare services (Abubakar, 2001: 30).

Privatization is not without its controversy. Neither do all role-players support such initiatives. COSATU, for one, and its affiliates, are vigorously apposed to such initiatives, as they are of the opinion that its will endanger job opportunity (existing,- as well as future). In 1999 a bitter collision broke out between the Departments of Constitutional Development and Provincial Affairs and COSATU over the privatization of water delivery on the Dolphin Coast in KwaZulu-Natal – to mention but one such example (Hlangani, 1999: 5). In the Kogelberg

mountains in the Cape, a small community has been forced to give up the only home many villagers have known since childhood – to make way for pine tree plantations after the South African Forestry Company Limited was privatised and their state-owned assets sold off (Padayachee, 1999: 5). However, perhaps the most resistance to privatization has come with the introduction of the government's plans to privatise various categories of municipal service delivery. Makgopela (2000: 9) explains the cause for the resistance as follows: "The Government's insistence on privatising municipal services in the face of wide-spread resistance, will spell disaster for millions of poor rural South African whose rights to water, sanitation and waste collection cannot be met within the narrow confines of the profit motive."

The focus of the State's privatization programme is on the four greatest state-owned enterprises – Transnet, Eskom, Telkom and Denel. The plan is to earn about R40 billion for the National Exchequer with the privatization of these enterprises (Swart, 2000: 1).

According to Inderdal (2000: 28) outsourcing, which can be regarded as the new buzz word in South African public sector procurement management, have the following advantages:

- It allows the clients to focus on its core competencies and activities.
- The organisation may benefit from the service provider's specialist skills (that would have been too expensive to keep in-house).
- The company's ability to keep abreast of market (or service delivery requirements) trends.
- It allows for flexibility in workload planning and flexibility in general.
- It reduces IT cost.

Through the process of outsourcing, government has effectively transferred the bulk of its managerial responsibility for its fleet system to private enterprises (Stuart, 1999: 11):

- An R6 billion contract for the financing and maintenance of vehicles, including police vehicles, has been negotiated which will place these functions in the hands of private enterprises.
- A three-year tender with an annual turnover of R750 million has been awarded to Wesbank First Auto for the maintenance of the government's large fleet.
- A two-year contract has been awarded to Wesbank to provide R750 million worth of financing to employees on National – and provincial levels of government who qualifies for car allowances.

8.5.4 Asset Management

Accounting officers must plan properly to ensure the effective usage of expenditure assets utilised in service delivery. Alternative strategies that must be considered are the following (Nair, 2000: 7):

- Leasing the asset (the possible desirability of this option should be assessed by a normal cost-benefit analysis).
- Time-sharing an asset owned by another person or organisation (whether in the private or public sector) where full-time use of the asset is not expected.
- Contracting out the delivery of a specific output that requires an asset (subject to proper supervision and contract management by the accounting officer) to another person or organisation able to demonstrate the capability to deliver it more efficiently and effectively (for example, because it may have economies of scale, specialist skills or other advantages available to it).
- Bench-marking short/long term assets regarding their life cycle cost.

8.5.5 Losses and money wasting

Government is losing large amounts of money annual due the careless handling of state property, and pure money wasting. The following examples are evident of this statement:

Money wasting. Money wasting is a serious problem in South African public sector service delivery agencies. To mentioned but a few examples:

The South African Police Service – losses during 1999/2000:

LOSSES	**1999**	**2000**
PAYMENT OF COMPENSATION	R30,826,836	R45,217,261
LEGAL COSTS	R27,876,313	R53,723,422
REPAIR OF VEHICLES (ACCIDENTS WITH VEHICLES)	R25,120,554 (10,467)	R38,334,321 (9,015)
FIREARMS: TOTAL VALUE FIREARMS LOST / STOLEN	R2,810,456 (1,427)	R3,911,469 (1,697)
TOTAL AMOUNT	R86,634,159	R141,176,473
OUTSTANDING DEBT	**R17,689,065**	**R18,837,197**

To its defense can be mentioned that the SAPS has in the meantime implemented a new Loss Control System to limit these kinds of losses in future (Waldner, 2001: 5).

- *Overspending* by South African service delivery agencies were a serious problem at some stage during the post-1994 period. This resulted in various Provincial Authorities experiencing cash flow problems, and not being able to pay their creditors on time. However, it must be said that in about all of these cases the situation was solved after the National government interfered. Provincial Governments were mostly placed under administration of the national government in terms of Section 100 (b) of the Constitution of the Republic of South Africa, 1996 for a specified period of time, and today most of these authorities are financially sound.
- *Excess personnel.* The wage bill to be paid by service delivery agencies, especially by Provincial Authorities, which are the primary deliverers of services, are too high. In Mpumalanga, for instance, salary-related expenses consume 61,3 percent of the Province's budget. In the Northern Province the percentage is 65,4 percent, in Gauteng 58 percent in the North West 49,8 percent, in the Eastern Cape 58,5 percent and in the Western Cape 55

percent (Smith, 1999: 33). The problem with this scenario is that very little funds are left for actual service delivery. This reality has forced the government to cut about 125 000 posts on its payroll; mostly in respect of unskilled labourers. These persons will either be re-deployed or retrenched. The problem with this is, however, that it has brought the government in collision with labour unions (Daniels, 2000: 8).

- *Underspending:* Thousands of pupils from poor families are going without their daily meal at the start of each school day because provincial departments of health are failing to spend millions of rands allocated to it for the child nutrition programme. Underspending on the programme has already accumulated into tens of millions of rands during the 2000/2001 financial year. In the 1999/2000 financial year, the National Department of Health and provincial health departments underspent R99 million (12 percent of its allocated budget(s) for the Integrated Nutrition Programme) (Barrell, 2001: 6).
  - The Department of Public Works has underspent by almost R500 million in the 2000/2001 financial year; in spite of having a R10 billion maintenance backlog (Xako, 2001: 4) – which is criminal if the extent of the infrastructure backlog in the country is taken into account.

    In 1999 the National Department of Welfare has spent only about 1 percent of its budget allocated to poverty alleviation (78,5 percent of its total budget was not spent). The Minister of Welfare (Skeweyiya) attributed it to résistance to transformation in the department, and to bureaucratic procedures (Beeld, Politieke Redaksie, 2000: 2). However, this cannot be regarded as legitimate reasons, and it must be attributed to unbelievable bad corporate management and Ministerial control was the main causes of this atrocity.

8.6 CONCLUSION

Resources are required to enable and kick-start management activity. These resources can be broadly divided into four (4) categories, namely:

- Human Resources
- Financial Resources
- Physical (technological) resources
- Information (expressed in terms of knowledge)

Scarce resources must be utilized and controlled in such a way that optimal service delivery can materialize at the lowest possible cost (the input *vs.* output ratio = productivity). It can therefore be stated that the success or failure of resource management can be measured in terms of the productivity ratio; with the term "productivity" measured in terms of –

- Economy (the best possible use must be made of limited resources)
- Efficiency (Ensuring that all systems and processes used to process resources in an attempt to enable service delivery are operated optimally successful and without wastage)
- Effectiveness (related to outcomes, and thus goal achievement).

The way in which scarce public resources have been generated, allocated, utilized and controlled for the sake of service delivery has changed fundamentally in the South African public service since 1994. Key features of changes introduced in respect of the management of financial and procurement management are –

- The introduction of a medium-term budget framework, combined with the concept of performance budgeting and annual budget reviews.
- The introduction of the Public Finance Management Act, 1999, with its strong emphasis on corporate governance principles.
- Fundamental changes in the government's tendering policies and systems, in favour of previous disadvantaged business ventures and SMME's (Small and Medium Size Enterprises).

Due to the unique nature thereof, and the comprehensive and far-reaching transformation agenda to which it was subjected, the one resource that would be discussed separately was that of human resources. This analysis will thus follow in Chapter 9.

CHAPTER 9

HUMAN RESOURCE MANAGEMENT TRANSFORMATION IN THE SOUTH AFRICAN PUBLIC SECTOR

Treat employees like partners
And they act like partners
Fred Allen
Pitney-Bowes Co.

9.1 INTRODUCTION

"Human Resource Management (HRM) can be described ... as the managerial function which manages the enterprise's or institution's inventory of employee skills, knowledge and productive capacities which are available to society. This definition implies a continuing process in the provision, maintenance and development of labour with respect to their skills, knowledge and potential productive capacity" (Lombard, 1978: 18). Section 195 (1)(h) of the Constitution of the Republic of South Africa, 1996 stipulates that "(g)ood human-resource management and career-development practices, to maximise human potential, must be cultivated."

To give effect to the stipulation of the quoted, and other relevant Sections of the Constitution, the White Paper on Human Resource Management in the Public Sector (1998: 2) identified the following framework for the management of human resources in the South African public sector:

- *Vision:* Human resource management in the Public Service will result in diverse competent and well-managed workforce; capable of and committed to delivering high quality services to the people of South Africa.
- *Mission:* Human resource management in the Public Service should become a model of excellence, in which service to society stems from individual commitment instead of compulsion. The management of people should be

regarded as a significant task for those who have been charged with the responsibility and should be conducted in a professional manner.

- *Values:* Fairness, equity, accessibility, transparency, accountability, participation and professionalism.

The White Paper (1998: 2 – 3) stressed that the human resource management culture in the country needed to be changed to achieve the following objectives:

- Increased delegation of managerial responsibility and authority to national departments and provincial administrations and, within departments, the delegation of day-to-day management decisions to line managers.
- The development of a service delivery-orientated, multi-skilled and multi-cultural workforce.
- The continuing drive for efficiency and effectiveness.
- Creation of a flexible environment that takes into account both the operational needs of the organisation, as well as the needs of employees.

The Presidential Review Commission's Report (1998: Chapter 5: 2) identified the following as key elements of/for a coherent and holistic strategic framework for human resource development in the South African public sector:

- The elevation of the role and status of human resource development within the overall framework of government policy.
- The development of effective and lifelong career development paths for all categories of public servants.
- The improvement of employment conditions.
- The introduction of effective performance management and appraisal systems, and the use of incentives to reward individual and team performance.
- The basing of promotion and career advancement on performance rather than on seniority or qualifications.
- The introduction of effective systems of staff development and training for all public servants, within the context of a national training strategy.

- The introduction of affirmative action strategies to improve the representativeness of the service, so that it can draw upon the skills and talents of all South Africans, and drive the benefits of the broader perspectives that a more representative service will bring.

The management of human resources is a hugely diverse and extended filed of study and application. It is not the intention to go into it in detail for the purposes of this study. However, it is important to analyse those areas in human resource management that will impact directly on the ultimate goals, namely to achieve sustainable development of the South African population.

9.2 CONTEMPORARY THEMES IN SOUTH AFRICAN PUBLIC HUMAN RESOURCE MANAGEMENT

Human Resource Management, perhaps more so than any other functional management branch, undergone far-reaching transformation since 1994. Themes that have dominated this transformation Agenda and which will now shortly enjoy attention are –

- professionalization of the public service,
- the implementation of Affirmative Action,
- multi-culturalism.

9.2.1 Professionalism

Section 195 (1) (a) of the Constitution of the Republic of South Africa, 1996 stipulates that, "(a) high standard of professional ethics must be promoted and maintained." Levitz (1992: 5) expressed the following requirements for personnel in public employment: " ... I suggest that right now, most people in South Africa including leaders of all parties across the whole of the political spectrum, have a pretty good idea of what the public servants of the present and the future should or should not do, and that few would disagree with any of the following:

- they should not commit crimes of any kind;
- they should not indulge in favouritism or nepotism;
- they should give prompt, courteous and efficient service and
- they should give a full day's work for a full day's pay.
- They should be qualified and personally suitable for the jobs they hold and able to render professional and optimal service to individual clients and groups alike;
- they should not discriminate against any person on account of race, religion, colour or sex; and
- they should be loyal to the State, and uphold the laws serving the government of the day irrespective of their own political points of view.
- Finally, they should have an absolute regard for fundamental human rights".

Van der Merwe (1990: 3 – 4) distinguishes between the *approach* to personnel administration, and the *competencies* required for effective personnel administration. The author is of the opinion that both the approach to personnel administration, the possession of the competencies as requirements for a professional execution of the human resource management function.

The aspect of approach refer to –

- Employees must be committed to the execution of their tasks and must be proud of the contribution they are making;
- Employees strive to *live* the merit – and efficiency requirements mentioned above;
- Employees must be adaptable to changing circumstances in order to comply with the demands of unique circumstances and demands;
- Employees must be willing to serve and not to dominate;
- Employees must, in general, maintain high professional standards of performance, attitude and behaviour.

Competencies, on the other hand, refer to –

- *Knowledge* of the field of expertise where he or she is working.

- The *ability* to perform the functions entrusted to him or her effectively and efficiently.
- The *personality* to respond appropriately to his or her surrounding environment.

9.2.2 Affirmative Action

Perhaps the single most controversial aspect of the Government's HR policy is the issue of affirmative action. Section 195 (1)(i) of the Constitution of the Republic of South Africa, 1996 stipulates that "(p)ublic administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation."
The White Paper on Affirmative Action in the Public Sector, 1998 has set the following guidelines for the management of affirmative action in the South African public sector:

(i) The Goal

The goal of affirmative action in the Public Service is to speed up the creation of a representative and equitable Public Service and to build an environment that supports and enables those who have been historically disadvantaged by unfair discrimination to fulfill their maximum potential within it so that the Public Service may derive the maximum benefit of their diverse skills and talents to improve service delivery.

(ii) The Objectives

The objectives of the Public Service affirmative action policy are, within the framework of relevant labour and Public Service legislation, to:

1. Enhance the capacities of the historically disadvantaged through the development and

introduction of practical measures that support their advancement within the Public Service.

2. Inculcate in the Public Service a culture which values diversity and support the affirmation of those who have previously been unfairly disadvantaged.
3. Speed up the achievement and progressive improvement of the numeric targets set out in the White Paper on the Transformation of the Public Service.

- Achieving the objectives

The requirement to achieve broad representation within the Public Service is firmly established by the Constitution, and the role of affirmative action in helping to achieve this is supported by subsequent statutes and by policy documents such as the White Paper on the Transformation of the Public Service. However, affirmative action programmes will need to be developed and implemented in accordance with certain *key principles* in order to align them with other transformation goals.

(iv) The core principles

Integration with human resource management and development

Affirmative action programmes must be integrated with other human resource management and development practices, especially the management of diversity.

Productivity and improved service delivery

Affirmative action programmes must promote the development of more innovative work practices which maximize productivity and increase customer-responsiveness.

Cost effectiveness

Affirmative action programmes must focus on steps which optimise the Public Service's human and financial resources.

Communication

The purpose of affirmative action policies and programmes must be fully communicated to all

public servants.

Participation

Affirmative action programmes must be developed with the active participation of employees at all levels, and with representatives of organized labour.

Transparency

Affirmative action programmes and practices must be open to scrutiny within and outside the Public Service, within reasonable limits.

Accountability

Accountability for the delivery of affirmative action must be vested at the highest level of the organisation, with all line managers being vested with the responsibility of driving the process.

Reasonable accommodation

Affirmative action programmes must strive to eradicate barriers to employment and advancement in the physical and organisational environment and provide support of all members of the target group.

Relative disadvantage

Affirmative action must take into account the relative disadvantaged status of groups, their needs within the target group and the needs of the organisation.

As far back as 1993 it was decided, in order to ensure a more representative personnel corpse in the South African Department of Home Affairs to (Van der Walt, 1995: 115):

- Get officials from non-white racial groups with tertiary qualifications ready to move to more senior posts by exposing them to a structured training programme, without ignoring the principles of a merit system.
- Recruit capable non-white candidates and employ them additionally to the fixed staff establishment with a view of rapidly absorbed them in the top-structure of the Department; and

- Create fixed posts in the department's structure, additional to its existing staff establishment, to appoint non-white officials, provided that they are willing to be exposed to an in-depth training and development programme after commencing with their duties.

It is sad, however, that such a progressive, supportive programme as the one exposed above was dismantled in the post-1994 period in favour of an approach of replacing white workers (especially in the higher grading posts) with non-white (and preferably blacks) as soon as possible, with little notice to the principle of merit, other than lip-service and a few comforting words in official policy documents.

- In the management level, 1,264 of the 2,319 employees are black. This represents 54,5 percent, and compares favourably with the requirement of 50 percent.
- Women: 424 out of a total of 2,319 officials on a middle, - and senior management level are women (18,28 percent).
- From a total workforce of 1,034,245 – 915 are persons with disabilities (0.1 percent - well short of the target of 2 percent to be reached by 2005).

From: The Report on the State of Representativeness in the Public Sector, 2000: 7.

The reality of affirmative action is a complicated one: On the one hand is the non-white majority that rightfully feels that blatant racial discrimination has prevent them from competing for positions in the public sector for more than a century, and that they are entitled to institute steps that would rectify the situation, and open up possibilities for them to compete on equal footing. On the other hand are the white public officials, and/or prospective officials that experience the application of affirmative action as blatant discrimination, and often experienced the policy as the cause for de-motivation rather than any attempt to rectify an artificial situation.

In conclusion it can be stated that affirmative action is a given in the South African public sector, and that the reality thereof will remain with us for years to come. To debate the merits or de-merits thereof has no real meaning – it was decided that it will be, and the majority of South Africans whole-heartily supports it. What is more – it increasingly seems likely that this policy reality will remain a

part of the South African management framework for the foreseeable time to come – with ANC politicians openly confessing that there will be no "cut-off" point for the application thereof.

The complexity of the situation can best be summarised in the words of Myron Weiner (1993: 2) (Ford International Professor of Political Science at the Massachusetts Institute of Technology): "No-one has developed a general theory dealing with the most difficult task in all contemporary multi-ethic societies; how to reduce disparities among ethnic communities and manage ethnic conflict at the same time".

9.2.3 Multi-culturalism

According to Mead (1994: 6) the term "culture" refers to –

- Systems of values
- A phenomenon that is distinctive to a specific group of people
- A phenomenon that is learned and that is not innate; it is passed down from one generation to the next
- A phenomenon that influences the behaviour of group members in uniform and predictable ways.

Multi-culturalism is an important reality in the South African management environment. The influence thereof is cross-cutting and impact on all spheres of management activities, not only human resources.

9.3 STRUCTURE FOR HUMAN RESOURCE MANAGEMENT IN THE SOUTH AFRICAN PUBLIC SECTOR

The White Paper on Human Resource Management In the Public Service, put into practice with the amendment of the Public Service Act, 1994; and the issuing of new Public Service Regulations, 1999 has fundamentally transformed the framework for the management of human resources in the South African public sector. The main initiatives in this regard can be presented as follows:

9.3.1 Decentralization of decision-making authority

- National and provincial administrations are responsible, within nationally defined parameters, for the planning and managing of their human resources to meet their own strategic and operational objectives. The implications thereof were that the personnel components of public service delivery agencies have been developed into fully-fledged human resources units that provide policy advice and perform professional human resources functions.
- In practice most human resources-related authority has been delegated to the executive authority (Ministers or MEC's) in charge of service delivery agencies. Part II of the Public Service Regulations (paragraph C) stipulates that the head of the service delivery agency must ensure that the Public Service regulations are implemented in his or her organisation, but paragraph A also stipulates that the executive authority must delegate adequate authority to the head of the department to enable him or her to perform these duties (White Paper on Human Resource Management in the Public Service, 1998: 2 and Public Service Regulations, 1999: 11).

9.3.2 Human Resource Planning

The objective set by the White Paper on Human Resource Management in the Public Service (1998: 2) is that policies must be introduced that could ensure that service delivery is enhanced by creating an environment characterised by employment justice, cultural diversity and transparency. Part III of the Public Service Regulations (1999: 13) stipulates that a service delivery agency must plan its human resource requirements within the broader context of its strategic plan; which must be directed at optimal service delivery.

9.3.3 Employment contracts

Most public sector employees are employed on continuous contracts. However, there will be an increasing use of fixed-term contracts in order to access scarce skills, and to develop greater interchange between the Public Service, the public sector and the private sector. All employees will eventually have a written employment contract (White Paper on Human Resource Management in the Public Service, 1998: 2).

- The issue of employment contracts is also important in the broader scope of performance management; with (especially) senior management that are increasingly appointed on the basis of a performance-contract.
- Increased use of job evaluation as a mechanism to ensure cost-efficiency and to determine appropriate remuneration packages are also introduced. This method of continuous job evaluation will also ensure that a more appropriate CORE (Code of Remuneration) can be introduced for the Public Service (with the relative weight of functions attached to a specific post, rather than purely the hierarchical level thereof) determining the salary attached to the post (Public Service Regulations, 1999, Part IV).

9.3.4 Flexible working patterns

The use of part-time work, job-sharing and more flexible working hours will be encouraged as a means of managing peaks and troughs of work more efficiently and effectively. This will also be a means to provide working conditions which are more responsive to the needs of both the employer, as well as the employee (White Paper on Human Resource Management in the Public Service, 1998: 2).

9.3.5 Career public service

The Public Service will be a career service. It will provide opportunities for development and advancement through excellent performance and career

management, the removal of barriers between occupational classes, and increased opportunities to compete for higher positions (White Paper on Human Resource Management in the Public Service, 1998: 3).

Positions in the Public Service will be filled by either open, targeted or internal competition. The aim will be to (White Paper on Human Resource Management in the Public Service, 1998: 3):

- identify the most suitable person for the job from the widest possible pool of talent;
- make the Public Service more accessible to all section of society;
- achieve employment equity; and
- provide equal opportunities for advancement for people at all levels within the Public Service.

9.3.6 Personnel provisioning

Cost effective recruitment strategies will be designed to reach and attract candidates from all sections of the population; and to maximise recruitment among people from historically disadvantaged groups. Employment in the Public Service is under normal circumstances restricted to South African citizens aged between 16 and 60 years of age. Pre-entry health checks are not required, except where these are essentially inherent to the requirements for the vacancy (White Paper on Human Resource Management in the Public Service, 1998: 3).

Paragraph D of Part VII of the Public Service Regulations establishes the principle of selection by means of a properly established, independently composed selection committee. Selection criteria will be based only on the inherent requirements of the position to be filled, and will primarily be based on competencies rather than over-emphasis on academic qualifications. Merit must be defined within the context of employment equity (White Paper on Human Resource Management in the Public Service, 1998: 3).

Placement strategies must always be in line with the overall human resource plan of the service delivery agency (White Paper on Human Resource Management in the Public Service, 1998: 3).

The White Paper on Human Resource Management in the Public Service (1998: 3) stipulates that probationary periods should not be less than 3 months, and not longer than 6 months. However, present policy in the Public Service is still one year.

Former employees, who have resigned, retired early or prematurely may be re-employed if they successfully apply for a post through competition. Excluded from this arrangement are employees whose services were terminated subject to restrictions on their further employment in the Public Service (White Paper on Human Resource Management in the Public Service, 1998: 4).

9.3.7 Personnel utilization

Promotion is done according to the principle of competition. It will be open to applicants at all hierarchical levels, provided they are able to demonstrate that they possess the required competencies and/or the potential to fulfil the requirements of the job. Seniority will not be a factor in the assessment of suitability for promotion (White Paper on Human Resource Management in the Public Service, 1998: 4).

Lateral transfers. The White Paper on Human Resource Management in the Public Service, 1998 allows for lateral transfers within, or between service delivery agencies where it is in the interest of the Public Service.

Career management. Individual employees will be primarily responsible for seeking opportunities for development and promotion in line with their career aspirations. Managers must assist and support their personnel in this regard. Regular performance assessment is an essential part of this process (White Paper on Human Resource Management in the Public Service, 1998: 4).

Managing conduct and grievances. In terms of the Code of Conduct for Public Servants, issued by the Public Service Commission, service delivery agencies

had to develop similar Codes for application in their area of jurisdiction (White Paper on Human Resource Management in the Public Service, 1998: 4). Grievance and complaint procedures have been negotiated with labour unions in the mean time.

9.3.8 Termination of services

The service of employees can be terminated in one of the following ways (Public Service Regulations, 1999: Part VII, paragraph G):

- Retirement age (Between 55 and 60 years of age.
- Abscondment.
- Resignation.
- Ill healthy.
- Operational requirements

9.3.9 PERSAL (Personnel Administration System)

Persal is the South African public sector's computerised information management system. In order to provide a more dynamic and efficient system, the following developments are currently taking place on the PERSAL system (Kaempffer, 2001: 23).

- Biometrix: A high-tech development whereby users will be required to log into the system by means of fingerprinting.
- Graphic User Interface (GUI): A facelift of the "on screen mainframe environment" to provide a Window-based, more user-friendly environment.
- Web-based training: To train future PERSAL users by means of the Internet.
- Electronic interfacing with the Department of Home Affairs: To validate for the identity numbers of deceased persons against appointments on PERSAL, in order to prevent deceased persons from being paid by the system.

- PERSAL switch: Supporting of the Life Officers Association (LOA) register to ensure data integrity and regulation of insurance deductions.

9.3.10 Training for development

The White Paper on Public Service Training and Education, 1997 has established the following framework for the management of training in the public sector:

Public service training and development will be founded on the following *vision*:

To contribute towards the development of a dedicated, productive and people-centred public service staffed by public servants whose performance is maximized and whose potential is fully developed through the comprehensive provision of appropriate, adequate and accessible training and education at all levels.

The vision is based on the belief that any organisation is only as strong as the people who work for it, and in particular on the conviction that training should and must play an integral and strategic part in the processes of building a new public service for a new and democratic society in South Africa.

In pursuit of the above vision, the Government sees its *mission* as:

The creation of a coordinated framework for ensuring the provision of appropriate, adequate and accessible public service training and education that will meet the current and future needs of public servants, the public service and the public, and contribute positively to the realisation of the vision.

Through the creation of such a national policy framework for training and education, the Government will seek in particular -

- to enable all public servants to develop their knowledge, skills and attitudes in ways which serve to maximise performance in their current roles;

- to allow them to regularly review their training and education needs and requirements, and to provide ways of meeting these;
- to provide opportunities for them to prepare themselves for changing roles, duties and responsibilities within the public service;
- to increase job satisfaction and facilitate career progression;
- to motivate and enable all public servants to contribute positively to the transformation and operation of the new public service in South Africa.

In putting the above vision and mission into practice, the *central goals* will be:

- To establish clear and effective national norms and standards with particular reference to training and education principles, priorities and guidelines.
- To establish appropriate institutional arrangements for the formulation, implementation and evaluation of policy, and to ensure in particular that such arrangements are strategically linked to the broader processes of human resources development, institution building and transformation in public sector organizations.
- To ensure that the implementation of the policy framework and recommendations set out in this document are effectively monitored and evaluated, in accordance with realistic and relevant performance measures, targets and time-frames.
- To ensure that departments at national and provincial level are supported to develop appropriate institutional support programmes to address the current and future needs of the public service, its diverse clients and the people who work for it.
- To secure adequate financial provision for the implementation of the new public sector training and education policy, and to ensure that training budgets are not the first thing to be sacrificed in times of financial stringency.

9.3.11Role of the Public Service Commission

Section 196(4) Constitution of the Republic of South Africa, 1996, mandates the Public Service Commission to perform the following functions:

- promote the constitutionally prescribed values and principles governing public administration in the public service;
- investigate, monitor and evaluate the organisation and administration, and the personnel practices, of the public service;
- propose measures to ensure effective and efficient performance within the public service;
- give directions aimed at ensuring that personnel procedures relating to recruitment, transfers promotions and dismissals comply with the constitutionally prescribed values and principles;
- report in respect of its activities and the performance of its functions, including any finding it may make and directions and advice it may give, and to provide an evaluation of the extent to which the constitutionally prescribed values and principles are complied with; and, either of its own accord or on receipt of any complaint -
  - investigate and evaluate the application of personnel and public administration practices, and report to the relevant executive authority and legislature;
  - investigate grievances of employees in the public service concerning official acts or omissions, and recommend appropriate remedies;
  - monitor and investigate adherence to applicable procedures in the public service; and
  - advise national and provincial organs of state regarding personnel practices in the public service, including those relating to the recruitment, appointment, transfer, discharge and other aspects of the careers of employees in the public service.

In terms of item (v) above the Commission shall report at least once a year to the National Assembly; and, in respect of its activities in a province, to the legislature of the province.

The Commission will at all times retain its independent and impartial status. Such interaction will in no way affect it's reporting to the National Assembly or the various Provincial Legislatures.

(i) Key performance areas of the Public Service Commission

The Public Service Commission has developed six Key Performance Areas (KPAs) during 2000. The KPAs, summarized below, have formed the basis for the implementation of the PSC's business plans and charted its operations into the future.

- Professional ethics and risk management.
- Developing effective tools for addressing corruption.
- Auditing the performance of various agencies and departments, eliminating duplication and coordinating functions.
- Monitoring and raising awareness of conflict of interest issues among managers.
- Anti-corruption investigations.
- Identifying and eliminating weak management systems and inadequate international controls.
- Addressing lack of coherent strategy within government.
- Redefining PSC role with regard to corruption in line with its Constitutional mandate.
- Strengthening proper investigative capacity within PSC.
- Management and service delivery improvement.
- Re-engineering the service layout of the state for better effectiveness in rendering services that address poverty; promote development; and respond fully to Batho Pele service delivery standards.

- Labour relations monitoring:
  - Strategic overview of labour relations in the public service to encourage DPSA and the unions to develop internal grievance procedures, thus confining the PSC role to adjudication when problems arise.
  - Review of current system of addressing grievance to ensure that:
  - Grievances are not referred inappropriately to PSC when internal grievance procedures exist and
  - Grievances solved through PSC mediation are monitored for compliance with recommendations.

(ii) Role of the PSC in respect of Human Resource Management and Development

Many administrative and control systems in the public service (such as leave administration) are open to abuse and need upgrading. A major challenge is retention of key skills and experience by countering persistent tendency for the most highly trained to leave public service for the private sector. Despite success in accomplishing better demographic representation in senior management, middle management remains racially unrepresentative and throughout the public service women and disabled people remain under represented.

The PSC is also concerned about the extensive use of consultants without any insistence in contracts on capacity building so that transfer of skills and knowledge to the public service itself can take place.

A further challenge is to devise a more dynamic approach to human resource development to encompass Adult Basic Education and Training (ABET), management and functioning training, and professional or specialist training.

Senior Management and Conditions of Service. A major challenge for the PSC is monitoring and evaluating as well as advising on improving conditions of service for the successful recruitment and retention of senior managers, who are in short supply in the country as a whole. Another challenge is

promoting a workplace culture that is centred on performance, based on best practice internationally, and geared towards enhanced productivity.

(iii) Overview on the role and functions of the Public Service Commission

The basic function of Public Service Commissions is to protect the public service from undue political interference in the career incidents (appointments, promotions, termination of service and discipline) of public servants (Muthien (1997: 7). In practice, public service commissions have had powers to (Muthien, 1997: 7):

- Protect the merit principle and to eliminate nepotism of favouritism by ensuring that the prescribed procedures for making appointments and promotions are adhere to; and
- Protect civil servants from unfair dismissal and arbitrary political abuse by ensuring that public servants will only be disciplined and discharged for reasons of misconduct or incompetence.

The new Office of the Public Service Commission was structured to render support on the following matters (Muthien, 1997: 10 – 11):

- Government functions, governmental organizing and establishment requirements of departments.
- The standardization, procurement and deployment of information technology in the public service.
- Remuneration matters, including the maintenance of the service dispensations of the occupational classes in the public service.
- General condition of service; including –
  - the maintenance of an overhead administrative labour relations policy for the public service;
  - the systematic rationalisation, revision, modernisation, and maintenance of personnel practices and systems; and
  - the monitoring of pension and medical schemes and funds.

- Human resource provisioning and utilisation policies and practices.
- Policies and practices to promote a broadly representative public service.
- Human resource development policy.
- The provision of training programmes through the South African Management Development Institute.

9.3.12 Labour relations in the South African public sector

The Labour Relations Act, No. 66 of 1995 has shift the emphasis in the South African labour market towards the employee. This progressive labour law is also applicable to the public sector. Perhaps the most important instrument in arranging labour relations in the South Africa public sector is the Public Service Bargaining Council. The Council consists of a Chamber at central level and a Chamber for each department, or at departmental level.

The term "central level" refers to the level where negotiations will take place on all those matters in respect of which the Public Service Commission has the authority to make recommendations or give directions, as well as those matters on which a particular department has the power to act on behalf of other departments. The term "departmental level" refers to the level where negotiations will take place on all those matters within the statutory competence of a head of a department (Public Servant, 1994: 9).

Sections 36 and 37 of the Labour Relations Act, 66 of 1995 regulate the activities of Bargaining Councils in the public service. Selective, appropriate parts of the Act can be quoted as follows:

36. Public Service Co-ordinating Bargaining Council

This Section prescribes the establishment of the Co-ordinating Bargaining Council, and stipulates as follows (amongst others):

- The Public Service Co-ordinating Bargaining Council may perform all the functions of a bargaining council in respect of those matters that-

- are regulated by uniform rules, norms and standards that apply across the public service; or
- apply to terms and conditions of service that apply to two or more sectors; or
- are assigned to the State as employer in respect of the public service that are not assigned to the State as employer in any sector.

37. Bargaining councils in sectors in public service

- The Public Service Co-ordinating Bargaining Council may designate a sector of the public service for the establishment of a bargaining council.
- The President, after consulting the Public Service Co-ordinating Bargaining Council, may designate a sector of the public service for the establishment of a bargaining council if the uniform rules, norms and standards applicable to the public service are not appropriate to regulate employment in that sector. This Council has exclusive jurisdiction in respect of matters that are specific to the public sector and in respect of which the State as employer in that sector has the requisite authority to conclude collective agreements and resolve labour disputes.

38. *Dispute resolution committee*

Section 38 of Act 66 of 1995 stipulates that:

- The Minister for the Public Service and Administration ... must establish a dispute resolution committee, and appoint to that committee persons who have knowledge and experience of labour law and labour relations in the public service.
- The functions of the dispute resolution committee are to resolve any jurisdictional dispute between the Public Service Co-ordinating Bargaining Council and any bargaining council established in terms of section 37(3).
- The dispute resolution committee must attempt to resolve the dispute as soon as possible through conciliation.
- If the dispute remains unresolved, any party to the dispute may request that the dispute be resolved through arbitration.

The Minister for the Public Service and Administration must determine the remuneration and allowances and any other terms and conditions of appointment of committee members. The expenditure incurred for that purpose would be defrayed from public funds.

Sound labour relations are the key to optimal productivity in the workplace. Unfortunately, South Africa has never been able to achieve this balance between the protection of labour rights and the need to stimulate the employment market. The former labour realities (in the days of the apartheid government) were grossly biased towards employers (with employees enjoying very little protection).

This only started changing in the late 1970's (1977 – 1979) with the appointment of the Wiehahn Commission. The recommendations of this Commissions leads to (amongst others) the legalising of labour unions (for the first time in the South African history). The system that replaced this one, was the direct opposite, and can at best be described as very lenient towards the protection of the rights of workers. This, in turn, has made potential employers wary to employee new staff.

9.4 RATIONALIZATION AND RESTUCTURING

Rationalization of the public sector is government policy. A Report on Service and Skills Audits, issued in May 1999 has found that the majority of departments and provinces complaining about large-scale overstaffing have made little progress towards restructuring (Department of Public Service and Administration, 1999: www.dpsa.gov.za). The report acknowledges that restructuring effects many employees, and therefore requires:

- A common and coherent management strategy.
- Systematic negotiations with unions.
- Concentrated effort, backed by appropriate skills, to find reasonable options for employees affected.

The Report on Service and Skills Audits, 1999 identified the following as key areas for success of restructuring:

- Commitment from top management, with the development of a strategic perspective in provincial departments on functions and structures.
- Structural proposals that as far as possible take the availability of skills and existing employment into account, rather than relying on abstract models.
- Allocating capacity and developing structures to ensure consultation with labour from an early stage.

The Report (Department of Public Service and Administration, 1999: www.dpsa.gov.za) mentioned the following as progress in restructuring:

- The inclusion of health, education, the police and defense in the public service constrains downsizing overall, since large cuts would affect basic service delivery.
- The public service as a whole shrank substantially between 1994 and 1999. Job losses were greatest among less skilled and part-time workers and the defense forces. Job losses in these categories have been partly offset by substantial growth in relatively skilled occupations, especially educators and nurses.
- Provinces that incorporated homelands, experience understaffing in the major services - health, education and welfare. But these provinces inherited large numbers of unskilled employees in smaller departments that provided economic services, infrastructure and local government support.
- The current belief in minimising government has combined with rising salaries for unskilled public servants to generate pressure to downsize these functions.
- Since skilled employment has expanded, the reduction in overall employment has not led to fiscal savings. At the same time, total budgets have fallen in real terms, raising the share of personnel spending. In the Departments of Health and Police, rank and leg promotions lead to rapid increases in the average salary, leading to pressure to downsize at the cost of services.

The following extract from the indicated Report on Service and Skills Audits (Department of Public Service and Administration, 1999: **www.dpsa.gov.za/docs/reports/audit-may99.html)** provides a more detailed picture of progress made with restructuring and downsizing in the South African public service:

- The public service has shrunk very substantially over the past five years, mostly through natural attrition and voluntary severance. The decline affected primarily unskilled workers and defense. Simultaneously, a shift to more skilled occupations, especially teaching and nursing has emerged.
- International comparisons indicate that because of this kind of shift to more skilled jobs, downsizing the public service rarely leads to overall savings. This trend appears to hold in South Africa.
- The inclusion of health, education, the police and defense in the public service sets limits to the potential for downsizing. As services, these functions are inherently labour intensive, and substantial cuts would affect basic service delivery. Their inclusion in the national public service largely explains its size - educators, health workers, police and defense personnel comprise some 80 percent of public servants.
- Economic services and infrastructure account for a further 10 percent of public servants, mostly employing unskilled workers in the former homeland areas. The core civil service, which undertakes high-level administrative and planning functions, makes up only about 10 percent of the whole. This core civil service is what most countries label their public service.
- Between 1995 and 1999, the public service shrank by over 150 000 positions, or 13 percent. It is difficult to trace the impact by occupation, since until 1997 information systems were incomplete. The available information, however, indicates a decline in defense and unskilled jobs outside of domestic service, and expanded employment of teachers and nurses.
- Overall, nine tenths of all jobs lost fell into the lowest salary category. These jobs involved either unskilled workers, or part-time employees in semi-skilled

and skilled positions. Some 40 percent of jobs in this salary category disappeared. As a result, employment at the lowest salary levels dropped from 30 percent of the public service in 1995 to 20 percent in 1999.

- Incomplete information hinders analysis of downsizing by occupation. Over half the positions were lost in 1994-'96, when data for former homeland areas was extremely poor. Then, in the following three years, the category of jobs with unknown occupations shrank by over 170,000 positions. This decline reflects both reclassification into defined occupations and, to a larger degree, a real decline in unskilled and part-time employment.
- The available information indicates the largest job losses in defense (10 000 jobs, or 13 percent); and
- unskilled jobs outside of domestic service, losing 22 000 positions, or 14 percent, with the biggest losses in forestry (10 000 jobs, or 60 percent) and general labourers (5000 jobs, or 8 percent).

After 1996, too, job increases occurred among:

- teachers, who added between 20 000 and 35 000 or 7 to 10 percent. The figures are estimates based on fiscal analysis and surveys by the Department of Education, since the PERSAL did not capture educator employment adequately until after 1997;
- nurses, health therapists and social workers, with an increase of 6500, or 9 percent;
- administrative and personnel officers, with almost 3000 additional positions - an increase of 20 percent; and
- a variety of highly skilled positions outside of health and education, which grew by 1800 posts, or 9 percent.
- Employment of skilled manual workers, such as artisans and works inspectors, and unskilled domestic labour like cleaners and housekeepers remained essentially unchanged between 1996 and 1999. In sum, the decline in numbers in the public service between 1994 and 1999 resulted mostly from the loss of less skilled and part-time jobs as well as defense workers. An

increase in employment of more skilled workers, mostly teachers and nurses, partially offset the decline. Obviously, the question is whether this pattern of changes in skills and occupation adequately reflect national imperatives. An answer requires a more in-depth exploration of sectoral needs. Superficial consideration suggests that the growth in education and nursing is appropriate.

- *Political appointments* are starting to take its toll on the knowledge – and expertise base of the public sector. Several competent people, generally supportive of the government's transformation policies, and mostly handpicked from the ranks of the governing party have already resigned (Billy Cobbett, Leila Patel, Olive Shisana, Judge Johann Kriegler). Several of them were openly critical of the government's political appointments, and blame this tendency for growing inefficiency (Kadalie, 1999: 19).

9.5 CONCLUSION

The one resource singled out for rapid and fundamental transformation in the South African public sector after the 1994 elections was that of human resources. Virtually no aspect of human resource management escaped untouched. The government made secret of its intention: To rapidly change the composition, systems and processes of the personnel corpse of the South African public sector. It therefore came as no surprise that the post-1994 human resource management agenda was dominated by –

- The aggressive implementation of a policy of affirmative action; linked to specific quotas and clear deadlines. This resulted in -
- An increased relevance of the effective management of multi-culturalism, and (in line with the renewed emphasis on transparency and accountability in public sector management)
- Renewed attempts to ensure a high standard of professionalism and responsibility amongst public sector managers.

The introduction of performance contracts for the senior management echelon in the public sector, as part of the government's proposed performance management initiatives, can only be welcomed. This will attract much needed scares expertise to the public sector.

However, one aspect that required renewed attention and more aggressive implementation is the rationalisation of the public sector. This is very necessary to improve productivity, efficiency and to save wastage on salaries for unproductive workers.

The next two Chapters (10 and 11) will subsequently be used to analyse the impact of the way in which these resource identified in Chapters 8 and 9 have been managed – that is to analyse the management of service delivery in South Africa.

CHAPTER 10

SERVICE DELIVERY: STRATEGIC ACTION, MEASUREMENT - AND MONITORING

We were inspired by the hope that
all South Africans of goodwill
could join together
to provide a better life for all
Nelson Mandela, 24 May 1994

10.1 INTRODUCTION

"The proof of the pudding is in the eating," states the well-known English proverb. This is relevant for the purposes of this study as well. Public management can only be regarded as successful (effective and efficient) if the ultimate result of these efforts is tangible and sustainable service delivery, resulting in a sustainable improvement in the condition of all South Africans. If such positive results are not achieved, the resources utilised to promote sustainable development were wasted, and sustainable development will never materialised. As stated previously in this study, the Constitution of the Republic of South Africa, 1996 has various prescriptions that require service delivery to the community characterised by --

- Proper planning;
- Quality;
- Accountability and transparency;
- Regular monitoring / feedback.

Amongst these are the following Constitutional principles:

- Section 195 (1)(c): Public administration must be development-orientated.
- Section 195 (1)(d): Services must be provided impartially, fairly, equitably and without bias.

- Section 195 (1)(e): People's needs must be responded to, and the public must be encouraged to participate in policy-making.
- Section 195 (f): Public administration must be accountable.
- Section 195 (1)(g): providing the public with timely, accessible and accurate information to foster transparency.

In the South African public service, excellence in service delivery is increasingly sought within the policy guidelines set by the White Paper in Transforming Service Delivery in the Public Sector. In practice, the management framework identified to put service delivery in action, is that of performance management. This concept is directly related to that of strategic management, and these two management concepts function indeed hand-in-hand. Performance Management goes hand-in-hand with the introduction of a strategic management and planning framework in the South African public service.

10.2 SOME IMPORTANT CONCEPTS AND PRINCIPLES RELATED TO SERVICE DELIVERY

During a Conference on Public Service Delivery, which took place on 27 and 28 February 1997 at the Bisho campus of the University of Fort Hare (1997: 3), it was stated that "(i)n South Africa, the impulse for (the) concern for service delivery reform stemmed directly from the triumph of democracy and the promise made by the newly elected government of a better life for all, especially the most historically disadvantaged sectors of society. The Public Service – the principal vehicle through which this promise for a better life was to be accomplish – naturally became the centrepiece of public attention."

The RDP, the White Paper on Transforming Public Service Delivery, and the White Paper on the Transformation of the Public Service establish a new policy framework for service delivery, and define the role of the Public Service in this regard as follows (Conference on Public Service Delivery, 1997: 3):

- More emphasis must be put on increased improved responsiveness and service delivery relevant to the needs of citizens.

- More efficient and effective utilisation of public resources.
- A more representative service delivery orientation, which catered for the diverse needs of all communities, and especially for the needs of the most disadvantageous communities.

The main messages eventually originating from this Conference to be taken into account with regard to service delivery, and especially with the implementation of Batho Pele, are as follows (Conference on Public Service Delivery, 1997: 16):

- Resources will always be finite and limited so it is important that existing resources must be prioritized in line with customers" priorities, and not wasted on unnecessary bureaucratic processes.
- Service standards must be set.
- The top level of management in the public sector must pro-actively support the improvement of standards and service delivery improvement programmes.
- There must be participation from the bottom upwards.
- Good customer services must be recognized and rewarded; bad customer service must be penalized and discouraged.

Co-ordination between the various spheres of government must be improved to prevent duplication and wastage.

Quoting from papers issued after conclusion of the Conference, the Government's commitment to responsive service delivery was made clear: "With the adaptation of the Reconstruction and Development Programme White Paper and White Paper on the Transformation of the Public Service, a new policy framework defining the role of the public service was put into place, laying considerable emphasis on a public service which is:

- More responsive and relevant to the needs of citizens,
- More efficient and effective in the use of public resources
- More representative of the diversity and needs of all, the most disadvantaged sectors of society."

This perspective emphasises the role of the public service in service-delivery, and bring us back to the opinion expressed at the beginning of this passage, namely that responsive service-delivery basically entails:

- *Easy access to public services to all members of the community:* Of the more or less 17 million South Africans surviving below the Minimum Living Level, about 11 million are living in rural areas (Reconstruction and Development Programme, 1994: 14). The reality is that millions of South Africans who most need it, does not have access to public services. In the Government's report to the Nation (1998: 2), it is clearly stated that "our (the public service's) performance should be judged above all on the basis of whether our programmes are positively affecting the lives of especially the most vulnerable sections of society: the poor, women, the disabled, children and the rural masses – the primary victims of the iniquitous system for which we have just emerged." The final test for development will be whether the government was able to ensure access to public goods and services to all South Africans; especially those who are most in need of development.
- *The satisfaction of the needs of the community in an affordable way:* Responsive service delivery to the community in an environment of unlimited resources poses no challenge. If money is available to employ as many people as needed, and to pay for all development projects, regardless of the cost involved, and if the technology exists to ensure appropriate and timeous information and tools, any country can managed itself into a excellent state of development within a short space of the time. Fact of the matter is, however, that South Africa (similar to all other countries, to a smaller or larger degree) has limited resources to support development initiatives. It is therefore important to set the framework for the optimal prioritisation of service delivery initiatives, as well as prioritisation of the allocation and utilisation of resources. The needs of the South African community totally out-weigh the available resources.
- *Quality and quantity assurance:* Quality and related terminology, such as quality management and Total Quality Management can be regarded as

some of the newest "buzz"-words in South African public sector management and administration. In relation to responsive service delivery, it is important to ensure that an acceptable standard is set, and that deviation from this standard is timeously identified in order to ensure continuous maintenance of an acceptable standard of service delivery. The term "quality" in service delivery, when applied to public sector goods and services is a complicated and tricky one. In the private sector, the term often refers to the production of luxury products to wealthy customers that can afford to purchase these "quality" products. In a public sector idiom, however, the term has more to do with a conscious "social contract" between public sector service delivery agencies and the community to ensure access to basic public services and goods by all members of the community. These goods and services must be of such a quality that the basic needs of the community are satisfied (Isaac-Henry *et al.*, 1993: 174-176).

10.3 WHITE PAPER ON TRANSFORMING SERVICE DELIVERY IN THE PUBLIC SECTOR

The most authoritative expression of the South African government's strategies for improved service delivery, and its ultimate vision for service delivery in the country, are to be found in the *White Paper on Transforming Public Service Delivery* (Batho Pele – "People First").

The Eight Principles of Batho Pele are as follows (White Paper on Transforming Public Service Delivery (1997: 15) (Key performance areas):

- Consultation.

  Citizens should be consulted about the level and quality of the public services they receive and, wherever possible, should be given a choice about the services that are offered.
- Service standards.

Citizens should be told what level and quality of public services they will receive so that they are aware of what to expect.

- Access.

  All citizens should have equal access to the services to which they are entitled.

- Courtesy.

  Citizens should be treated with courtesy and consideration

- Information.

  Citizens should be given full, accurate information about the public services they are entitled to receive.

- Openness and transparency.

  Citizens should be told how national and provincial departments are run, how much they cost, and who is in charge.

- Redress.

  If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response.

- Value for money

  Public services should be provided economically and efficiently in order to give citizens the best possible
  value for money.

The White Paper (1997: 23) states that innovation must be encouraged in the process of realizing the above-mentioned key performance areas, and that excellence must be rewarded. It further states as follows "It is essential to the success of the Batho Pele that the commitment, energy and skills of public servants are harnessed to tackle inefficient, outdated and bureaucratic practices, to simplify complex procedures, and to identify new and better ways of delivering services." The second aspect (rewarding of excellence) must be part of a

performance management framework to be put into place by all national and provincial service delivery agencies.

An integral part of the contents of the White Paper is the principle that the community must be involved in decision-making regarding service delivery (Batho Pele, 1997: 24). As far as the implementation of the strategies exposed in the White Paper are concerned, it is expected of public service delivery agencies to put the following measures in place (White Paper on Transforming Public Service Delivery, 1997: 24 – 25):

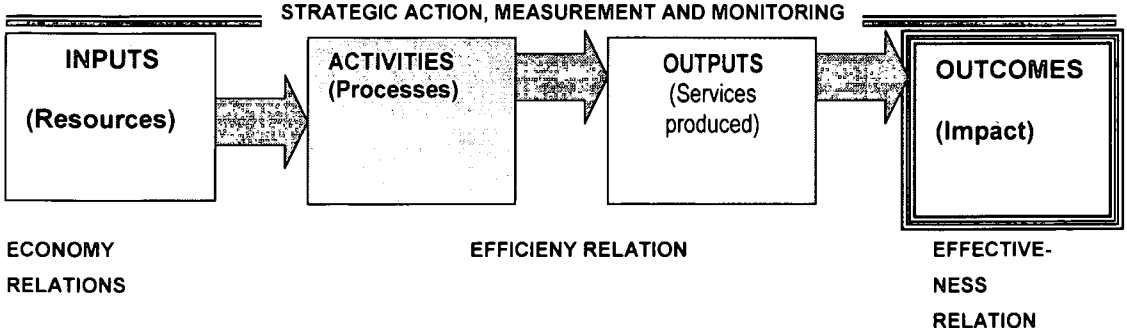
- The Executive head (Minister or MEC) of each and every service delivery agency on national / provincial sphere of government must approve a Service Delivery Improvement Programme, and regular feedback regarding progress with the implementation thereof must be forwarded to the Department of Public Service and Administration. Such a Programme must contain information regarding:
    - Existing levels of service and proposed service standards should be adopted in the short-, medium and long term.
    - How service standards will be monitored and reported on, and the management information systems that will support this.
    - How organisational and system arrangements will be organised to ensure that standards are met.
    - An explanation of the human resource training, supervision and appraisal arrangements that will be put in place to ensure that staff behave in accordance with the principles of the White Paper.
    - How the service delivery agency's communication systems will be geared up to provide information about the type and frequency of service required by customers.
    - How a complaints system will be developed to identify and rectify failure to deliver the promise standard to individual customers.
    - How the financial management system in use will collect data on the unit cost of key services, in order to provide information for standard- and priority setting in future years.

- The implementation strategy will center around the following steps (Batho Pele, 2001: 26 - 28):
  - Step 1: Identify the customer / stakeholders.
  - Step 2: Establish the customer's needs and priorities.
  - Step 3: Establish the current service baseline.
  - Step 4: Identify the "improvement gap".
  - Step 5: Set service standards.
  - Step 6: Gear up for delivery.
  - Step 7: Announce / promote service standards.
  - Step 8: Monitor delivery against standards, and public results.

In order to be able to authoritatively analyse the management of service-delivery in the South African public service in execution of the broad aims expressed by Government in this regard (see sub-paragraphs 10.2 – 10.3), it is necessary to identify the management initiatives (models and/or approaches) that are required in a contemporary management idiom to ensure successful service delivery, and then determine the extent to which the South African Government has implemented and is utilizing these initiatives. This will subsequently be done in the remaining paragraphs of this Chapter.

10.4 A PERFORMANCE MANAGEMENT APPROACH TO THE MANAGEMENT OF DEVELOPMENT INITIATIVES

The most widely used term in the performance management context is that of "value-for-money". Value-for-money is most easily defined as the economic acquisition of resources and their efficient utilisation in the realization of the purpose of the organisation – with the simultaneous achievement of economy, efficiency and effectiveness. Economy is about input, efficiency about inputs and outputs and effectiveness about outputs, outcomes and impacts; a concept that can be explained as follows: (Concluded from Stevenson, 1996: 6; read in conjunction with the a publication of the United State's Office of Personnel Management, 1999: 13).



The following were identified as key ingredients of a performance-orientated approach to public management after a study in this regard, involving the public service sectors of New Zealand, Australia and Singapoer (Matheson, 1998: 12):

- Agencies of state produce vision statements which spell out their longer-term direction and under which they articulate their departmental strategies.
- The vision statement is followed by a strategic business plan which defines the main direction in departmental policy and resource allocation in the medium term, and for a departmental "business plan" produced for the year in question. The written plans become important in the discussions around appropriation and in the monitoring of results.
- New Zealand has gone further along these lines by implementing a system whereby medium-term objectives for departments are identified. These form the "key result areas" in a chief executive's performance agreement with the relevant Minister, and the basis for annual appropriations by the legislature.
- Increasingly, business plans are channeled down to inferior units of service delivery agencies, where it has become the basis for performance evaluation.
- A performance-orientated system still requires a system of external audit and verification (Matheson, 1998: 21). This eventually kick-starts the process of transparency and accountability.

At this stage it would be useful to take notice of the proposed approach recommended by Boyett and Conn (1995: xxi – xxiii), known as *maximum performance management.* The authors recommend the following process for the implementation of maximum performance management:

- Step 1: Identify the target behavior.

- Step 2: Identified the required skills to meet the target behaviour.
- Step 3: Teach the skills in proper sequence.
- Step 4: Provide follow-up coaching.
- Step 5: Monitor and evaluate the change as it occurs.

The Draft Guide for the implementation of Performance Management and Development (2000: 148) recommends the performance management and development cycle; which in essence consists of a continuous cycle of determining performance standards, testing adherence and take corrective steps where and when necessary.

It is important for South Africa to accept the necessity for performance-based management practices and systems. If the country would have a realistic hope of ever achieving the idealistic development aims it has set for itself, it will be important to ensure that the internal structures and processes of its delivery agencies are based, and evaluated on performance, rather than procedural efficiency. Performance Management is all about the three "E's," which have been defined in Chapter 8, sub-paragraph 8.2.4.

One vital management principle that forms an integral part of performance management, is *accountability* (Rouse, 1993: 62-63).

The ultimate test for management success in the South African public service will be to determine whether public services were delivered economically, effectively and efficiently (optimal *performance* on the side of the public service); resulting in the cost-effective satisfaction of community needs, and thus creating the framework for sustainable development in the country. In order to achieve this, the public service must set *performance standards* for itself.

To a large extent, the South African public service has already commenced with the process of setting performance standards. Over the last few years, the principles of strategic management were introduced into public service delivery agencies, and management according to pre-determined business plans was introduced. These business plans clearly distinguish between line activities and projects, are linked to the budget of a specific service department, and precisely indicate responsibilities. (Mention can, for instance, be made of the fact that the

Public Finance Management Act, 1 of 1999, expects of an accounting officer to present an annual report wherein the main goals and objectives of his or her department for a specific financial year are exposed and directly linked to the department's budget. This must be presented to the Office of the Auditor-General for ultimate presentation to Parliament). Another important intervention preceding the introduction of performance standards, was the *White Paper on Service Delivery (Batho Pele)*, leading towards the identification and monitoring of minimum service standards in South African service delivery agencies.

According to the *Report of the Presidential Review Commission on the Reform and Transformation of the Public Service in South Africa* (1998), performance management has a dualistic level of focus; namely (1) Performance Monitoring and (2) Performance Evaluation.

- *Performance Monitoring* refers to "the task of measuring the extent to which policy objectives have been achieved (in relation to outputs, outcomes, as well as structures and processes)". (Maphai, 1998: 33).
- *Performance Evaluation* "is concerned with the interpretation of such monitoring information in ways which can usefully inform the on-going policy formulation and implementation process."

According to the Commission the three main levels at which different kinds of monitoring and evaluation reports are required, are (Maphai, 1998: 34):

- The supervisory level, where middle-managers such as deputy and assistant directors primarily require efficiency performance reports;
- The executive managerial level, where Director-Generals, Deputy Director-Generals and Chief Directors require reports on the effectiveness of departmental strategy in meeting service level needs and objectives;
- The political level, where ministers and portfolio committee members require reports on the broader impact and outcomes of government policy.

10.5 PLANNING IN THE SOUTH AFRICAN PUBLIC SECTOR: ANALYSIS OF THE STRATEGIC MANAGEMENT FRAMEWORK

The analysis presented in this sub-paragraph will be concluded by following a dualistic process, namely:

- Identifying the principles and theories to be applied to constitute effective strategic management for the sake of optimal service delivery, and
- To determine the extent to which the model applied in the South African public service comply with these requirements.

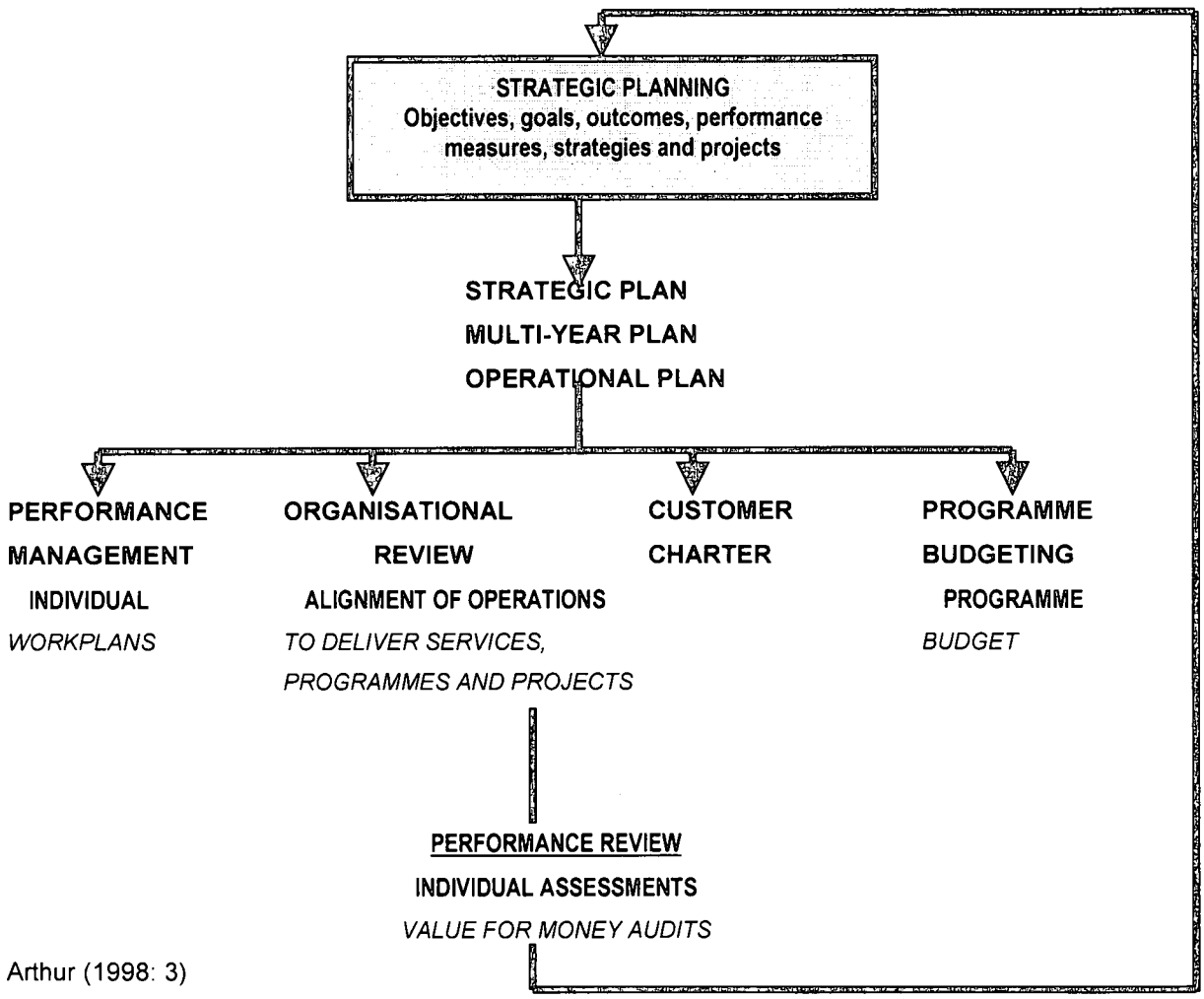
Thompson (1993: xiv) defines the term "strategic management" as the process by which an organisation establishes its objectives, formulates actions designed to achieve these objectives in the desired time-scale, implements the actions and assess progress and results." The traditional approach to strategic management can be presented as follows (Smith *et al,* ?: 9):

(Smith *et al,* ?: 9)

Arthur (1998: 1) identified the following as key elements of the strategic plan:

- A vision of where the organisation needs to be in the future.
- A comprehensive mission statement on the major functions and operations of the ministry or department.
- Outcome-related goals and objectives for the major functions and operations.
- A description of how goals and objectives are to be achieved, including the necessary resources.
- Stated performance indicators.
- An integrated action plan with implementation strategies.
- An identification of key factors external to the ministry / department that could significantly affect the achievement of the stated goals and objectives.

Arthur (1998: 3) presented the strategic management perspective within the context of public service reform as follows:



Arthur (1998: 3)

(i) Institutional advantage

The concept of competitive advantage is an essential part of strategic management. In the private sector, the entire purpose of strategic management is to gain competitive advantage to a company that will ensure that it stays ahead of its competitors in terms of market-share, which will ensure continuous profitability, and thus survival.

It is impossible to simply throw away the concept in the applications of strategic management in the public sector simply because the idea of market share is not applicable. What *is* applicable is competition for scarce resources, and the need to overcome environmental challenges in order to maintain and improve service delivery levels and community satisfaction.

Goold (1997: 292) is of the opinion that the term "competitive advantage" must be replace with "institutional advantage" in the case of non-profit organisations, and that institutional advantage is being held when a not-for-profit organisation perform its tasks more effectively than other comparable organisations. He then identified two possibilities in this regard:

- Determine the key tasks of the agency, as well as how best it can measure effectiveness in performing these tasks.
- Determine which other organisations also perform similar functions, or sub-tasks in the same category. This could provide an instrument for bench-marking of service delivery.

(ii) Environmental assessment and intrapreneurship

Hostager *et al.* (1998: 12) talks about "environmental intrapreneurship"; referring to the ability of employees to correctly analyse the environment, and apply the results of such analysis to develop the organization's strategic vision, mission and goals. This is an appropriate perspective for the purposes of this study, as it is in line with two key concepts continuously presented as corner stones for

development via organisational renewal, namely environmental scanning and intrapreneurship. The model suggested by the author emphasizes the interaction between organizational innovation and the organization's immediate environment. There is a continuous interaction between opportunities for service delivery (presented by the environment), coupled with subsequent task-performance to satisfy community needs, and the inter-organisational realities motivating or de-motivating officials (potential intrapreneurs).

(iii) Corporate strategies for the application of strategic management as a tool for service delivery improvement

Griffiths (1992: 244 – 245) identified the following corporate strategies as essential for the effective application of strategic management as a tool for service delivery improvement. His findings are based on a study conducted at the Metropolitan District of Kirkless MC (Metropolitan Council) in West Yorkshire, where a radical change process was undertaken since 1989:

- The top management has set clear goals and annual performance target for the transformation process.
- The corporate budget outlined the goals and performance areas mentioned above, and provide incentives to services to develop spending proposals in line with corporate priorities.
- Although the vision statement was a very general, service group, services and individual activity have began to "customize" it – asking what it is and what it meant – putting generalities into specific operational activities.
- New emphasis has been placed on internal communication – through employee newsletters, a management information bulletin, and a number of cross-service working groups on key issues.
- A management development programme has been launched, and actively promoted throughout the corporate structures.

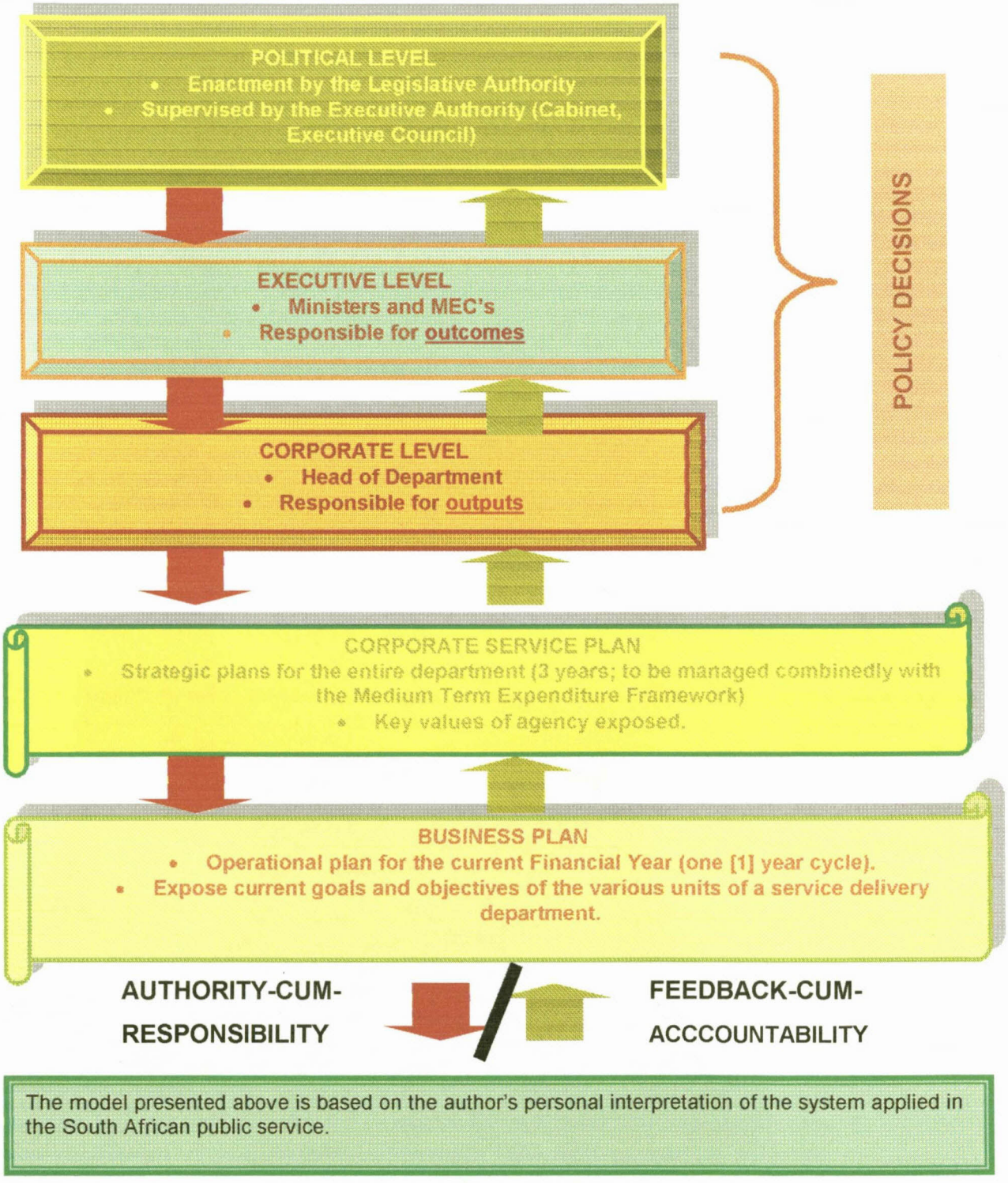
Another useful strategy to employ as a strategic change method, is so-called "strategic issue management." Strategic issues management systems consist of routines and procedures which are designed to identify, track and resolve strategic issues. The major product of strategic issues management has been identified as the dynamic strategic change agenda which serves to keep an organisational balance with the ever-changing environment. The process is seen to pass through a series of events, namely:

- Activation of diagnostics: recognition and isolation of issues demanding further attention.
- Assessment: attempts to identify the degree of urgency of key issues (prioritisation).
- Feasibility: making judgments about the feasibility of effort and commitment for action to resolve the various issues (Perrott, 1996: 338).

10.5.1 The South African public sector's model of strategic management

To determine the degree to which strategic management (as exposed in sub-paragraph 10.5.1) finds application in the South African public sector, the following evaluation can be presented:

SCHEMATIC PRESENTATION OF THE SOUTH AFRICAN PUBLIC SECTOR'S MODEL FOR STRATEGIC PLANNING:



The model presented above is based on the author's personal interpretation of the system applied in the South African public service.

For a proper contextual understanding of strategic planning as a prerequisite for effective service delivery, it is necessary to distinguish between two (2) key concepts, namely:

- *Outcomes* refer to the ***results*** of the public management process. Outcomes are mostly evaluated in political terms, and are directly related to the ultimate aim – for the purposes of this study - *sustainable development.* Only if the results of service delivery efforts, as the tangible stage of the management process-, resulted in real and meaningful improvement in the circumstances of all South Africans can the political authorities feels satisfied that the outcomes of the development process where positive.
- *Outputs* refer to the actual, tangible end-result of the management process (physical service delivery). Outputs in itself are not equal to sustainable development – sustained, long-term positive outputs (effective and efficient service delivery), resulting in, - and enabling positive outputs facilitates sustainable development.

10.5.2 Integrated Development Planning

The concept of Integrated Development Planning (IDP) was incorporated into the management framework of the South African public sector as a result of the re-structuring of the local government set-up in the country – as a method to integrate the diverse planning priorities of the once separate municipalities which have been integrated into larger Local Municipalities in terms of the Municipal Systems Act, 33 of 2000. IDP traces its existence back to the principles and concepts underlying strategic planning. Through integrated development planning, which involves all stakeholders, a municipality can (DBSA[1] and NBI[2] 2001: 3 - 4):

- Identify its primary objectives.
- Formulate clear objectives and action steps.

[1] Development Bank of South Africa
[2] National Business Initiative

- Develop the appropriate organizational focus, structures and systems to realize these objectives and goals.
- Align resources and efforts with Council and community priorities.
- The ideal is that municipalities need to use the tool of integrated development planning to ensure that they make the best use of available resources to address poverty and to promote sustainable economic and social development.
  - The principle of IDP is to ensure that limited resources are spend on key development priorities, and to align projects, plans, budgets and other resources with the sustainable development priorities of the community.

The IDP process can be graphically presented as follows (DBSA[3] and NBI[4] 2001: 130):

- Determine a vision-statement (where do the authority want to go?)
- Identify and implement development objectives
- Identify and implement development strategies
- Identify and implement operational strategies
- Management interventions to support the above-mentioned strategies:
  - Compile a five-year financial plan that exposes how development initiatives will be funded.
  - Compile an Annual Plan and Budget that expose development priorities and the budget implications thereof
  - Implement and delivery services
  - Monitor and Evaluate

[3] Development Bank of South Africa
[4] National Business Initiative

10.6 A POST-MODERN MANAGEMENT APPROACH TO THE IMPLEMENTATION OF STRATEGY: PROGRAMME–, AND PROJECT MANAGEMENT

Oosthuizen *et al.* (1998: 15) express the opinion that the common denominator characterising organisations which excelled during the 1990"s was acceptance of, and commitment to some or all of the principles of project management. The authors suggested a Project Management approach to management in the 21st century, because it combines strategic management with operational management (Oosthuizen *et al.*, 1998: 15).

10.6.1 Theory and practice of Project Management as a tool for the implementation of management strategy

Van der Waldt and Knipe (1998: 59) define the term "project management" as follows: "Project management is a set of principles, methods, tools, and techniques for the effective management of objective-orientated work in the context of a specific and unique organisational environment." Bekker and Janeke (1995: 132) identified the following as characteristics of project management:

- A specific life cycle with a specific starting-, and finishing point.
- The non-repetitive nature thereof
- The process is goal-directed
- Homogenous and uniqueness
- A separate budget.

Project management is in essence the management of a specific identifiable project, with specific short-term goals. Resources are allocated specifically to enable the realisation of these goals. As soon as the project is completed, the resources utilised in attaining the project goals are re-allocated to another project, or to line functions.

An important distinction, for the purposes of this study, is the difference, and yet close interaction, between programmes and projects. Baird *et al.* (1990: 114) define the respective terminology as follows:

- *Programmes:* "Plans that outline a variety of interdependent activities that must be co-ordinated to achieve a goal."
- *Projects:* "Plans that are either smaller in scale than programmes or part of a programme."

The practical distinction can be explained as follows:

Money is appropriated to the Free State Department of Health (service delivery agency responsible for the delivery of health services to the Free State province – in terms of budget methodology a Vote) to promote the health of the Free State community. According to the new performance management structure in use in the public sector, the Legislature appropriate this money based on a business plan submitted by the department. As discussed in Chapter 9 of this study, such appropriations must be done according to programmes (main division within the Vote). Each of these programmes are responsible for a broad range of functions. For instance, the following example can be quoted from the perspective of the authors own experience: Programme 2 within Vote 5 in the Free State Provincial Government (Health) is responsible for Primary Health Care Services; which include

- District Health Services
- Oral Health
- Environmental Health Services
- Clinical services

Amongst these functions is the responsibility to upgrade existing clinics and build new clinics. To build twenty new clinics within a period of five years is a clear identifiable project.

- The goal is to build twenty new clinics
- The time period allowed for this is five years

- A quality requirement can be identified; for instance, requirements related top size, fully equipped pharmacies, and so forth.
- Resource can be allocated: Outsourcing to obtain the knowledge and human resources required to do the building, a budget allocated to the project, and so forth.

At the end of the day, the completion of the clinics will contribute towards more effective and accessible delivery of health services; which will enhance the realisation of the goals of the Clinical Services structure. This will enhance the realisation of the delivery of effective and efficient primary health care services (the primary goal of Programme 2), which will enhance the effective and efficient delivery of health services to the Free State community (Vote 5).

The best way of analyzing the application of project management principles in the South African public sector, especially in illustrating the interaction thereof with the strategic management process, is to refer to the requirements set for project implementation of the main programmes of the RDP. (Although the RDP Office, which initially co-ordinated these projects, is not in existence any more, the principle originally established by it remains the theoretical basis for the project management in the South Africa public sector)(Adapted to serve the purposes of this study from RDP projects: Guidelines for business planning and reporting, 1996: 2).

(i) A Project Business Plan must be compiled; exposing:

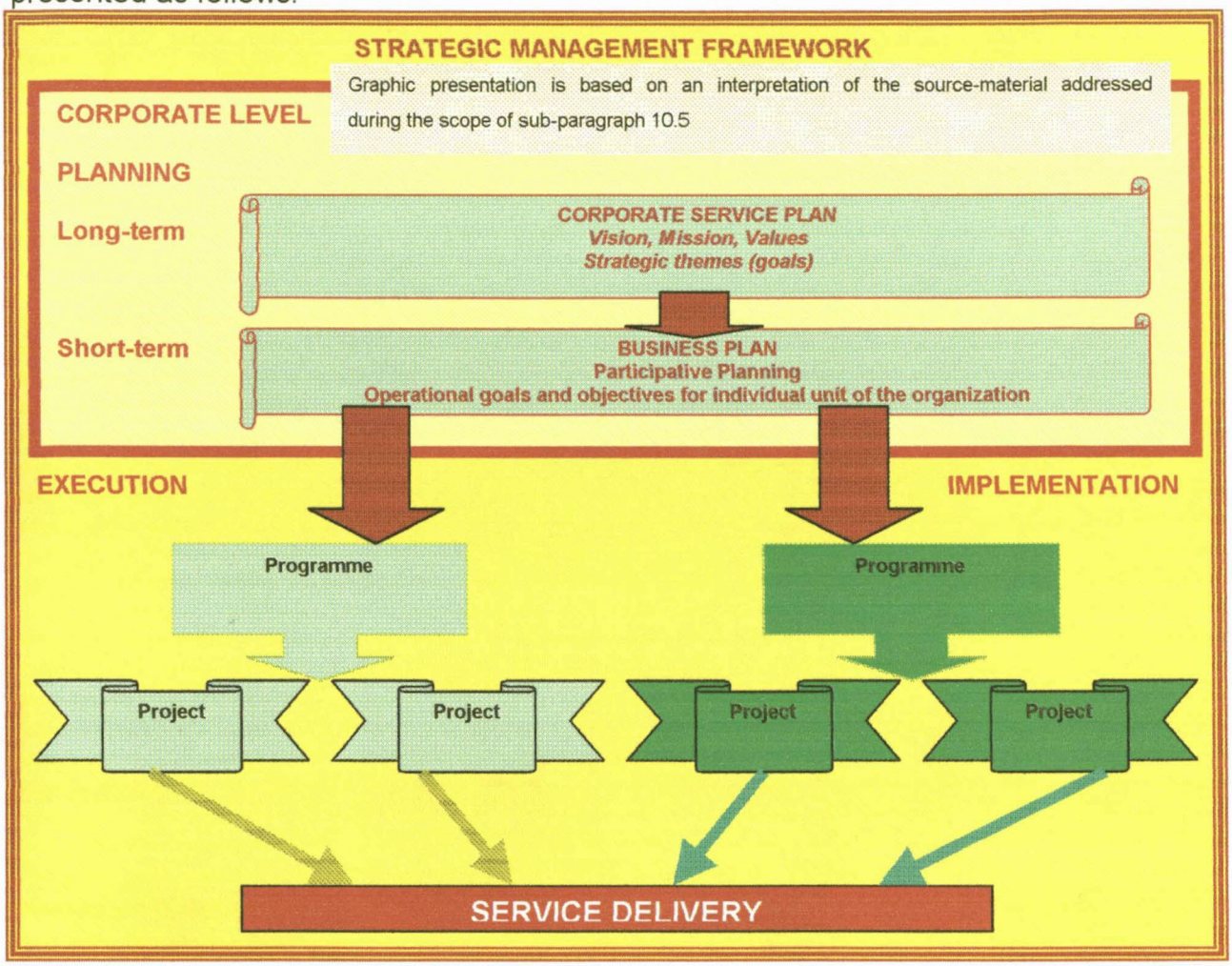
- The purpose of the project –
  - what do you plan to do?
  - Why?
  - Where?
  - Who will be responsible?
  - Who are the beneficiaries?
- Demonstrate the relevance of the project in terms of the initial programme (service delivery mandate).
  - How will the programme's goals and objectives be promoted?

- Define the results expected of the project.
  - What will the project deliver?
  - What will be the outputs (and outcomes)?
- Define the contribution of the project towards growth and development in the country or community.
- Define the key sub-systems required for the successful completion of the project.
  - How and by whom will the project be managed?
  - What resources are needed for the implementation of the project?
  - How will the project be monitored and evaluated?

(ii) Reporting regarding the Project:

- Regular reporting on progress made with the implementation of projects are required to achieve the following (RDP Projects: Guidelines for Reporting, 1996: 1):
  - Maintain financial discipline.
  - Assess progress against action plans.
  - Assess achievement of project objectives in terms of the relevant key performance indicators determined for the specific project.
  - Highlight significant achievements not specified in original action plans.
  - Highlight problem areas of the project and recommend remedial actions.
  - Highlight future important events related to the project.

The interaction between strategic management and project management can be presented as follows:



10.7 SHORT ANALYSIS OF MANAGEMENT INTERVENTION FOR IMPROVED SERVICE DELIVERY IN THE SOUTH AFRICAN PUBLIC SECTOR

It is not that easy to analyse the extent to which South Africa has managed to develop its population. An authoritative attempt in that regard would require an in-depth statistical analysis of the situation in South Africa, and even then such an analysis must be put in a proper context and perspective – accounting for all surrounding facts and factors. As such an exercise entails the processing of data already presented in the scope of this study, and in light of the stated conclusion,

the analysis contained in Chapter 4, read in conjunction with the contextual perspective presented in Chapter 3 could be utilized for such purposes. A comprehensive statistical overview of the situation in South Africa, often compared with relevant international experiences, is presented in the attached Schedules (*Statistical Overview).* A more detailed analysis involving this base-data, linking it with the aims of this study will be presented in Chapter 12, and will not enjoy further attention at this stage. What will be presented is a short overview of a few selective service delivery successes and failures over the last couple of years.

Selective successes can be presented as follows:

- In 1998 alone, 5,000 subsidies for new houses were approved by the Free State Provincial Housing Development Board (Nieman, 1998: 1). Nationally a total of more or less 900,000 such subsidies were awarded (Coetzee, 2000: 7). It can be stated that housing is one of the areas where the South African government has been reasonably able; within the context of limited resources, to meet the development challenge.
- The implementation of a policy according to which some of the poorest households in the country will get 50 kilowatt of electricity and 6 kilolitres of water free every month (Botha, 2001: 4). Regardless of personal opinions in this regard, the fact remains that, to provide the poorest of the poor with a minimum level of free electricity and water definitely represents development, purely because it represents an improvement in their quality of life (even if better-off citizens must pay a bit more).
- A national study conducted by the Centre for Health Policy at the University of the Witwatersrand concluded that, when it comes to sexually transmitted diseases, doctors and nurses at public hospitals and clinics provide better care than private doctors (Steyn, 2000: 8).
- The International Monetary Fund has praised South Africa for its sound macro-economic policy. It was also very positive about the regulatory framework whereby banks and financial institutions are regulated in the country (Van Zyl, 2000: 1). The Fund was also very impressed with South

Africa's fiscal policy framework, and specifically the sound fiscal control exercised over expenditure in the public sector (Sapa, 2000: 9).

- The Gauteng Economic Development Agency (an Article 21 company) working under the jurisdiction of the Gauteng government, has identified 15 major employment-creating projects in corporation with South African, as well as foreign companies for 2001 (Eyles, 2000: 1).

A few service delivery challenges includes (for instance) the following:

- In 1999, municipal services at Viljoenskroon have come to a standstill when the Town Council decided to stop all expenditure due to a critical cash shortage (Versluis, 1999: 2). This was typical of the situation in various towns and cities in the country over the past seven or eight years. However, it must also be acknowledged that, in general, the situation has since improved remarkably.
- The apparent failure of the Child Nutrition Programme initiated by the Department of Health a few years ago; where poor children in selective schools in the country received a nutritional food basket on a daily basis. This programme is on the verge of being dismantled and replaced with alternative service options (Seepe, 2001: 2).
- Various problems exist which hampered effective combating of crime in South Africa; including (Volksblad, 1999: 4):
  - Jails are over-crowded by up to 30 percent, but still effective rehabilitation programmes are not in place.
  - The bail system in place is not effective because it does not prevent dangerous criminals from being released. Too often criminals are released on bail, during which period they then commit similar offences than those for which they were initially arrested.
  - The Department of Correctional Services has a critical shortage of personnel that has contributed towards the 7,076 escapes which took place during 1999.

- In spite of the fact that criminal investigations demands thoroughly trained personnel, only about 60 percent of the personnel involved in such investigations have attended criminal investigation courses.
- Measures to prevent the resignation of well-qualified and experienced personnel are inadequate. Between 1994 and 1996 520 public prosecutors have resigned.
- Dockets are often too long, and have the tendency to disappear. At one police station more than 400 dockets were lost in one year.
- The State's witness protection programme is badly organized and totally ineffective.

- More than 55,000 cases involving serious offences such as rape, murder and other violent crimes are presently awaiting trial (Tshwete, 2001: 2).

10.8 CONCLUSION

The framework for the management of service delivery initiatives by the South African public service has changed dramatically over the last couple of years (especially since 1994). The White Paper on the Transformation of Public Service Delivery was a commendable effort to improve the structure for the management of service delivery by public service delivery agencies.

The introduction of a proper strategic management approach, thus enabling proper long-, medium-, and short term planning can only be commended; especially since these initiatives were linked to the transformation of internal systems and processes for the management of resources as well (for example, medium-term budgeting linked with medium term strategic planning).

These initiatives were well supported by the introduction of Performance Management, a worldwide trend in the public service management environment, which can only be welcomed as long overdue. Such an approach has shifted the emphasis of service delivery away from procedural correctness to an outcome-based approach; where outputs and outcomes are measured, rather than

procedural efficiency. Such an approach can only benefit the realization of the goals of development policies.

It is important, however, that public service delivery agencies, funded by public resources, must give account of their achievements in respect of the implementation and execution of the government's development policies (goals and objectives). The processes involved in these reporting requirements will subsequently enjoy attention in Chapter 11.

CHAPTER 11

STRATEGIC CONTROL, QUALITY ASSURANCE AND ACCOUNTABILITY

"Government has failed to Deliver on its promise of 'a better life for all'."

Helen Suzman,
Veteran anti-apartheid
South African politician

11.1 INTRODUCTION

Service delivery is not the final stage in the management process aimed at development. Service delivery is development-in-action (outputs), but the success or failure of the management effort (to evaluate whether or not development goals have been realized) will be clear from the impact of these (service delivery) efforts on the community (outcomes). This is the ultimate test of whether or not development has materialized: whether a tangible and sustainable state of continuous improvement in the lives of ordinary South Africans has been achieved.

The end-result of the combined management practices and structures in the South African public sector is service delivery to the communities of the country. The introduction of a strategic management approach to service delivery in the South African public sector, where clear goals and objectives are set as performance standard for service delivery are providing a totally new structure for the management and measuring of the efficiency of service delivery in the country. The role of the Auditor-General is especially relevant in this regard, because the Office of the Auditor-General can be regarded as the estonian of public accountability in the South African public sector.

Expressed in terms of a post-modern management idiom, which must take cognizance of ever-increasing environmental complexities, service delivery agencies must ensure that appropriate strategic control mechanisms are in place to measure both outputs-, as well as outcomes in order to analyze whether or not

the aims of development policies have been realized. In order to achieve this, use must be made of complex management tools, such as the principles of risk management to be pro-active in identifying possible risks which may impact negatively on the organization's management systems, process and/or procedures aimed at realizing effective realization of development goals.

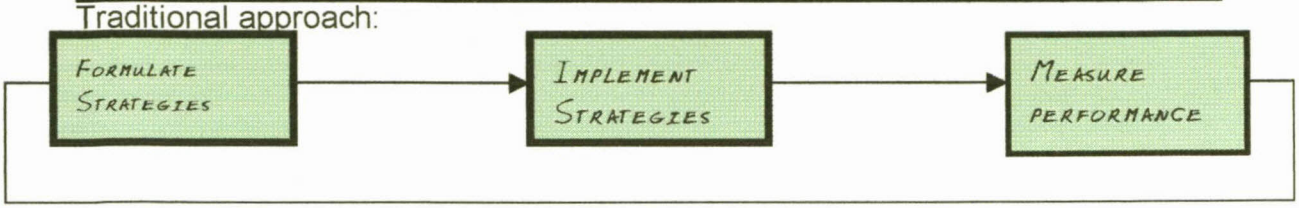
Service delivery is a complex concept. In a modern sense of the word, the concept is dependant on the value that it can add towards tangible and sustainable development. In order to achieve value, the principle of quality has become a prerequisite for effective service delivery.

The recipients of public service delivery (the community) evaluate the quality and value of such services through their elected representatives. The various legislative authorities demand feedback regarding service delivery, and the execution of government policies from Accounting Officers. This manifestation of public accountability is based on reports resulting from audits performed by the Office of the Auditor-General and from the annual financial and strategic feedback reports compiled by Accounting Officers.

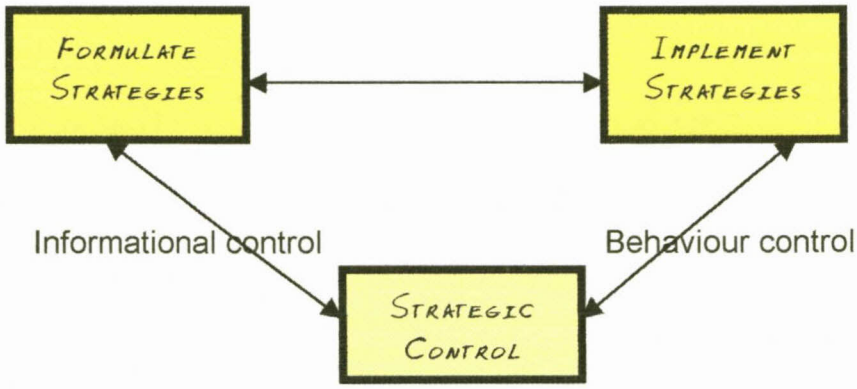
11.2 STRATEGIC CONTROL

Picken and Dess (1997: 39; 41) present a useful perspective of the move away from a traditional approach (to control) to strategic control and the more contemporary approach. This perspective can best be explained by utilizing a graphic presentation:

Traditional approach:



Contemporary approach:



What is especially important is the fact that organizational learning is an integral part of the system of strategic control in the contemporary approach, and that it acknowledges the importance of the human aspect of strategic control (Picken and Dess, 1997: 41). It is clear from the more human approach to corporate management introduced in the South African public sector that the country has made substantial progress towards the implementation of a more contemporary and internally acceptable approach to strategic control.

11.3 RISK MANAGEMENT

Morgan's (1999: 11) definition of the term "risk management" as "managing the cash flows of the business to protect and enhance their value" clearly reflect the predominant financial nature of the concept of risk management. However, for the purposes of this study, the concept of risk management will be viewed from a more holistic approach, and will be in line with the approach of the Post Office, where risk management is being regarded as an integrated phenomenon; categorising risk in terms of (Chown, 1999: 12) –

- Management process

- Environmental risks
- Political risks
- Financial risks
- Operational risks
- Employee relations risks
- Compliance (legal) risks
- Commercial risks

Fox (1992: 30) is of the opinion that "... risk management essentially forms part of the management of change, which, in turn, forms part of strategic management". This statement explains the context within risk assessment, as a strategic management tool, must be understood. Risk management is directly related to the environment within which a public service delivery agency operates. (The following discussions regarding the impact of the environment on the strategic risk position (vulnerability) of a public service delivery agency have been broadly adapted from Baird *et al.'s* (1990: 65 – 69) explanation of the impact of the environment on corporate decision-making. However, it has been fundamentally adapted to serve the purposes of this study and the topic (risk assessment) on hand):

The essence of conditions of risk is that a public sector service delivery agency may either be negatively or positively exposed to environmental realities (often rapidly changing), which can either enhance its ability to render services effectively, and efficiently, or (if negatively) be hampered in service delivery by environmental factors which are often beyond his or her control. Three broad conditions of environmental risks can be defined (environmental circumstances may be internal or external):

- *Conditions of certainty:* A situation in which the stability in the environment ensure that service delivery agencies have exact and reliable information for management decision-making.
- *Conditions of risk:* Circumstances in which public sector managers can identify several possible outcomes from the management information

available, but he or she can only project with a limited degree of certainty whether or not environmental realities will allow for the realisation of the projected outputs and/or outcomes.

- *Conditions of Uncertainty:* Situations in which environmental circumstances are so unstable that neither the probability, nor the certainty of possible outputs and/or outcomes can be determined.

Risk assessment is a relatively new development in the field of strategic management. It entails the following (Ernst and Young, 2001: 3):

- Identification of exposure to risk.
- Developing risk evaluation / assessment criteria.
- Analysing and evaluating risks.
- Treat or control risks by implementing control activities and procedures.
- Monitoring and review risks.

Risk consist of three elements, namely (Ernst and Young, 2001: 4):

- *Inherent risk:* The intrinsic susceptibility of an assertion to error that individually or when aggregated with other errors, could be material to organisational information as a whole, before considering the effect, if any, of related internal controls. Inherent risks may be categorised as follows:
  - The business environment
  - The management environment
  - The functional environment.
- *Control risk:* The risk that an error which could occur and which, individually or when aggregated with other errors, could be material to the achievement of the agency's objectives, will not be prevented or detected on a timely basis by internal controls. Possible causes may include (Ernst and Young, 2001: 6):
  - The potential for management to override controls.
  - Collusion circumventing the effectiveness of the segregation of duties.
  - Human aspects such as misunderstanding of instructions, mistake made in judgement, carelessness, distraction and fatigue.

- *Detection risk:* The risk that management's procedures will fail to detect error which, individually or when aggregated with other errors, could be material to the information for decision-making as a whole. (Adapted from Ernst and Young, 2001: 6).

The best way to combat failure resulting from "bad risk" is to build a Risk Assessment Plan. Such a plan centres on good internal control, and must compose of the following (Ernst and Young, 2001: 7):

- Proper structuring of an internal control unit (or units).
- Identification of clear goals and objectives for this unit.
- Risk identification (under leadership of the internal control unit).
- Risk analysis.
- Risk assessment.
- Preparation of a risk / control worksheet
- Development of appropriate control activities (such as procedures, rules, and so forth).

11.4 SERVICE DELIVERY AND THE QUALITY CONCEPT

"Quality is never an accident – it represents the wise choice of many alternatives" The author of these words (Kano, 1998: 48) draws a direct distinction between strategic planning, performance management, quality improvement and development.

11.4.1 Value-based management in the public sector

A contemporary new development in the field of management is that of value-based management. Value-based management is a framework for measuring and, more importantly, managing businesses to create superior long-term value for shareholders that satisfied both the capital and product markets (Ronte, 1998: 38). It is clear from the above-mentioned discussion that the concept of value-

based management is in essence a concept designed for application in the private sector. However, adapted it can find a very useful application in the public sector – especially since it is clearly a method of management that can pro-actively support performance management initiatives. What is important in the public sector is to build long-term value to not only consumers (the community), but also to the government of the day ("shareholders"). The quest is to ensure effective and efficient service delivery that maintain and ensure accessibility, but, at the same time, guarantee cost-efficiency (especially in the light of extremely limited public resources available for development).

Value-based management is a process which can be exposed as follows (Ronte, 1998: 38):

(i) Creation of an imperative for value, usually at the top of an organisation.

- Politicians and the top management of public service delivery agencies must embraces, and practice the concept of strategic value-based management.

(ii) The organization must then develop value-maximising strategies by linking an understanding of the competitive position of the organization in the market.

- Value-maximising strategies in the public sector refer to initiatives such as ensuring responsive and cost-efficient service delivery. This can improve the competitive advantage of such an service delivery agency by enhancing customer satisfaction and making available more resources for an extended range of development services.

(iii) The organization must find appropriate roles for managers and organize the entire organization into "value centers."

- The concept of value-centers may be a useful method to promote the ideals of value-based management in public service delivery agencies. It is important to make the concept of value an integral part of the strategic management processes and orientation within the agency.

(iv) Defining the appropriate measure for value return on cash flow or investment, and so forth.

- The issue of appropriate measures for measurement is relevant to the public sector, just as much as to the private sector. Possible instruments for measurement may be unit cost, value-for-money and budgetary constrain.

(v) An appropriate data infrastructure needs to be created.

11.4.2 Total Quality Management (TQM) in the South African public sector

The control of quality lies at the heart of the notion of professionalism (Pollitt, 1990: 437). Kellas (1997: 19) identified the following elements as necessary to ensure its long-term survival and success:

- Put the customers (the community) first.
- Innovate constantly.
- Make the leap between quality assurance and corporate excellence. Prevention is better than cure.
- Improve all service delivery and management systems and procedures constantly.
- Do not sacrifice long-term improvement for short-term comfort.
- Create and support an environment that seeks out, nurtures and rewards the contributions of each employee.

Total quality management has become a management philosophy that is increasingly practiced to promote quality in public service delivery. Total quality management is a philosophy that, with its focus on quality and excellence, can lead to a transformation of organisational performance (Tattersall, 1989: 47). The importance of excellence of quality becomes evident from the following example: Japan, the economic success story of the world during the 1970 – 1990"s has built their success primarily on excellence (quality). They obtain this position of strength in spite of obvious disadvantages such as (Tattersall, 1989: 48):

- An almost total lack of natural resources (Japan has no oil, coal or iron ore)
- A need to export to pay for food and resources
- A reputation for cheap and shoddy consumer goods.

(i) Total Quality Management (TQM) in theory and practice

Total Quality Management (TQM) is yet another more recent development in the field of management, and specifically in its application in the public sector. TQM is an organisation-wide approach which seeks to improve performance, that is to say quality service delivery, on a continuous and systematic basis (Leppard and Molyneux, 1994: 57). Mani (1995: 373; 374) stated that in total quality organisations, everyone is encouraged to know the organisational mission, to continuously improve how the work is done, and to satisfy the customer. TQM requires total organisational commitment; top-level management commitment is crucial for the successful implementation of the approach.

(ii) Implementation of TQM in public sector service delivery agencies

TQM interventions should be guided by the following four principles (Hackman and Wageman, 1995: 311 –312):

- The focus must be on work processes. The quality of products and services offered to the customer must be beyond dispute.
- Analysis of variability. Variance in processes and outcomes must be controlled.
- Management by fact. TQM calls for the systematic collection of data at every point in a problem-solving cycle.
- Learning and continuous improvement. A culture of continuous renewal and learning / training must be created.

In order to be effective TQM requires an organisational environment which (Tattersall, 1989: 50):

- Recognizes the interdependence along the supply chain.
- Recognizes the internal customer supplier relationship in the flow of work along the supply chain.

- Generates the commitment and competence to respond pro-actively to changes in the environment.
- Encourages innovation and a process of continuous improvement.
- Adopts concepts of –
  - prevention, not detection
  - "right first time"
  - Encourages the development of people within the organization.

(iii) The cost of quality

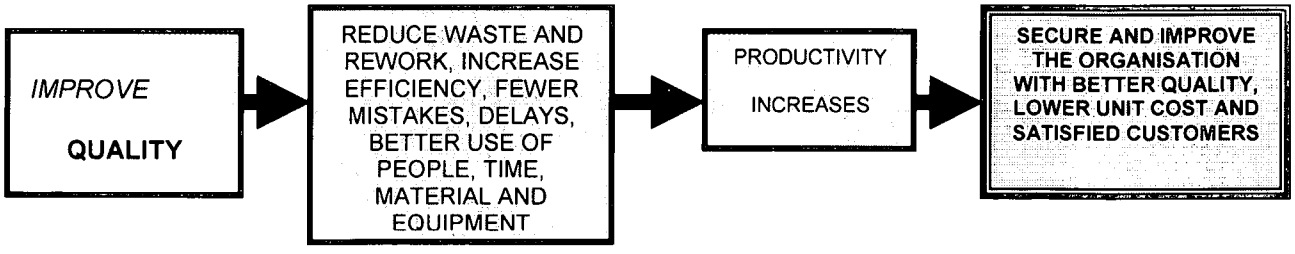
Quality improvement comes at a cost. However, the relevant question to ask again boils down to productivity – in this case the net gain produced by attempts to improve quality when compared with the cost of quality. The concept of "cost of quality" consist of two elements, namely (Leppard and Molymeux, 1994: 62):

- Open cost: these are the more obvious areas of cost, such as handling of consumer complaints, re-organizing office procedures to ensure immediate attention to members of the public, and additional resources required to ensure responsive service delivery.
- Hidden costs: These are intangible costs and reflect the inputs, which go into services to ensure that they are first, time right.

The quality cost equation can be presented as follows (Leppard and Molyneux, 1994: 62):

Cost of failure	+	**Cost of prevention**	=	**Total quality cost**
(Open costs)		(Hidden costs)		

The cost of quality, and the way in which cost impact on the goals of TQM, are relevantly presented by Milakovich, 1992: 579):



11.4.3 Framework for the management of excellence in the South African public sector

Quality assessment and – assurance have enjoyed renewed attention in the South Africa public sector with the introduction of a performance management framework. One of the six founding principles of the RDP is a commitment to a people-driven process, which already implies a responsive service delivery requirement. The White Paper on Transformation of the Public Service (1995: 59) identified the following as key deliverables for service delivery agencies in the public sector:

- A mission statement for service delivery, together with service guarantees;
- The services to be provided, to which groups, and at which service charges; in line with RDP priorities, the principle of affordability, and the principle of redirecting resources to areas and groups previously under-sourced;
- Service standards, defined outputs and targets, and performance indicators, bench-marked against comparable international standards;
- Monitoring and evaluation mechanisms and structures, designed to measure progress and introduce corrective action, where appropriate;
- Plans for staffing, human resource development and organizational capacity building, tailored to service delivery needs;
- The redirection of human and other resources from administrative tasks to service provision, particularly for disadvantaged groups and areas;
- Financial plans that link budgets directly to service needs and personnel plans;
- Potential partnerships with the private sector, NGO's and community organizations to provide more effective forms of service delivery;

- The development, particularly through training, of a culture of customer care and of approaches to service delivery that are issues of race, gender and disability;
- Plans for the introduction of continuous quality improvement techniques, in line with a total quality management approach.

The White Paper on Transforming Public Service Delivery, 1997 is clearly based on the underlying principles and concepts involved in the TQM approach. In this regard, the reader is referred back to paragraph 10.1.1 of the Chapter. However, to further motivate this opinion, mention can be made of the White Paper"s recommended strategies for the implementation of a transformed service delivery framework. One of these recommendations was that all service delivery agencies should compile a Service Delivery Programme, containing, amongst other, particulars regarding the following (White Paper on Transforming Public Service Delivery, 1997: 24 – 25):

- Existing levels of service and the proposed service standards must be adopted in the short -, medium and long term.
- Particulars of how service standards will be monitored and reported on, and the management information systems in place to support this.
- Particulars of organisational and systems arrangements which will ensure that standards are met.
- The human resource training, supervision and appraisal arrangements which will ensure that staff behave in accordance with the principles of *Batho Pele.*
- Particulars of how the service delivery agency"s communication systems will be geared up to provide information about the type and frequency of services those customers require.
- Particulars of how complaints systems will be developed to identify and rectify failure to deliver the promised standard to individual "customers."
- Particulars of the financial management systems which will collect data on the unit costs of key services, in order to provide information for standard and priority setting in subsequent years.

The Programme could also be used to –

- Inform staff and encourage them to focus on improved service delivery.
- Provide information to facilitate monitoring by the Public Service Commission, DPSA, Portfolio Committees, the national and provincial and inter-provincial transformation co-ordinating committees, and departmental transformation units.
- Provide the basis for the eventual published document setting out the organisation's service standards and other service delivery goals and commitments.

11.5 MONITORING AND REPORTING IN THE SOUTH AFRICAN PUBLIC SECTOR: AN ASSESSMENT OF ACCOUNTABILITY-THROUGH-AUDITING

The White Paper on Transformation of Public Service Delivery (1995:20) stated, "openness and transparency are the hallmarks of a democratic government and are fundamental to the public service transformation process. In terms of public service delivery, their importance lies in the need to build confidence and trust between the public sector and the public they serve. A key aspect of this is that the public should know more about the way national and provincial departments are run, how they perform, the resources they consume, and who is in charge."
The mechanism for achieving this was recommended to be an Annual Report to Citizens to be published every year by all national and provincial department setting out, in clear language –

- Staff members employed, and the names and responsibilities of senior officials;
- Performance against targets for: improved service delivery, financial savings, and increased efficiency;
- Resources consumed, including salaries and other staff costs, and other operating expenses;

- Any income, such as fees for services;
- Targets for the following year; and
- A name and contact number for further information.

These Reports were meant to be published as wide as possible, and were also designed to assist Portfolio Committees to scrutinise the activities of public service delivery agencies.

Schwella (1990: 35) stated that normative democratic theory necessitates that –

- The final control over the governmental – and administrative functions in a democratic state is vested in the citizens of the state; and
- In order to obtain effective control, it is important for citizens to obtain information regarding government activities and
  - to hold the government and its agencies accountable for the behaviour and
  - to ensure that the government and its agencies accept responsibility for the functions that they need to perform on behalf of the citizens.

The author then concludes that *public accountability* is the central theme in the theory and practice of democratic government and administration (Schwella, 1990: 35).

11.5.1 The concept of public accountability

Public management activities are aimed at the promotion of the general welfare of the community. In order to achieve this, resources are collected from taxpayers. These taxpayers-cum-voters do have the right to expect feedback from the government and officials regarding the way in which these resources were utilised, and the results obtained by such efforts (Fourie, 1993: 52).

In a time of transformation, changing notions of, and approaches to the study of public administration and management will naturally necessitate a new perspective on the concept of public accountability as well. Reid (1992: 82) emphasised the role of modern methods to enforce accountability, such as the

Ombudsman (Public Protector) and enforceable requirements to inform the public. These changes should entail an explicit focus on *inter alia* (Lungu, 1994: 61):

- promoting a more democratic, inclusive and participatory government and public service at all levels of government;
- a just, equitable and non-racial society with equal access for all people to societal resources; and
- promoting values such as efficiency, effectiveness, productivity, accountability, responsibility and responsiveness.

Ellis (1989: 100) has identified the following steps that could be enforced to ensure accountability:

- Politicians should display sensitivity to the needs and expectations of the community.
- The politicians should be honest and should not strive to promote his personal interest.
- Politicians should be flexible and adaptable in order to ensure that the activities of public institutions remained in tune with the real needs and expectations of the population.
- Politicians should be approachable to ensure that he or she remained the servant of the voters. By being diligent in the performance of his or her functions the politician would be an example to voters.
- Executive institutions should take every step to ensure that they perform their activities effectively and efficiently because they were, *inter alia*, properly organised and they also applied appropriate control steps.
- The legislature should also perform their functions effectively and efficiently in order to ensure the best possible usage of limited resources and that accountability is enforced.

The author (Ellis, 1989: 101) recommends the following measures to ensure accountability:

- Accounting Officers should devise and apply effective systems for internal control.
- External control by the Office of the Auditor-General.

(i) Responsibility as oppose to personal accountability

The term "responsibility" is directly related to personal value-orientation. It is arranged by a public official's personal regard for social values such as honesty, fairness, reasonableness, and so forth. Botes (1992: 9) distinguishes between –

- Moral responsibility: Moral responsibility is to determine ethical guidelines for public behaviour, and is founded in the democratic principle that every individual has certain rights and privileges that must be protected, and cannot be infringed upon.
- Political responsibility: Politicians must practice high moral personal values. Appointed officials are responsible for the execution of policy, and are not supposed to question the policies made by politicians.
- Juridical responsibility: Public officials are legally responsible for the execution of government policies. However, this aspect also includes recognition of legal principles such as adherence to the rules of natural justice, and so forth.
- Administrative and management responsibility: Managers and administrators are responsible to ensure that the functions delegated to them (with the accompanying delegation of authority) are exercised with due consideration of the principles of fairness, hard work and loyalty.

Contradictionary to responsibility, personal accountability refer to the requirement that any person or body entrusted with the responsibility to perform certain tasks must give feedback regarding the way in which these functions where performed, and the results obtained with such efforts (Botes, 1992: 9).

11.5.2 Accountability and Auditing

Accountability refers to the principle that account must be given to the legislative authority (the authority that has initially appropriated resources for service delivery) regarding the collection, safe-keeping and utilisation of public resources (Oosthuizen, 1998: 7). Section 36 of the Public Finance Management Act, 1 of 1999 deals with the appointment of accounting officers, and basically stipulates that the head of a public service delivery agency must be the accounting officer for that agency. The chief executive officer must support him or her in the execution of his or her duties.

Following a lengthy review process in respect of the scope and content of accountability in the public sector, Chapter 5 of the Public Finance Management Act, 1999 has extensively specified the responsibilities, powers and functions of Accounting Officers. These measures mostly relate to the following themes, which formed the basis for the transformation of accountability as a practical phenomenon in public sector management, and specifically strategic and financial management (Loots, 1997: 22 – 23):

- Defining objectives and performance measures related to accountability.
- Identifying those responsible for the performance, execution, control and review of public management actions.
- Ensuring transparency and access by role-players to relevant information.
- Ethics and separation of roles to ensure that those responsible for the execution of service delivery activities and those responsible for control act independently.
- The introduction of measures and mechanisms to ensure compliance to sound financial (and related management) principles.
- The introduction of measures to ensure remedies to correct or enforce non – or weak performance

The main way in which accountability-to-enable-public feedback can be maintained, is by utilising the tools available by utilising audit measures.

(i) Public sector auditing

Public auditing can either be internal or external.

(a) *Internal auditing:* The internal auditors can be regarded as the eyes and ears of management (Atkisson and Chait, 1978: 43). Internal auditors are tasked with the following responsibilities (Atkisson and Chait, 1978: 43):

- To check the application of administrative policies and directives.
- To evaluate the effectiveness of administrative control systems.
- To confirm the existence of assets with a view toward preventing or discovering fraud.
- To check the authenticity, completeness and fairness of accounting and financial data.
- To assess the effectiveness and efficiency of operations and activities.
- To check compliance with numerous federal and state grant programmes.
- To provide a training ground for management-orientated personnel.
- To handle certain nonrecurring problems that require an investigative approach.

Effective internal auditing relies heavily on effective inter-organisational communication and appropriate internal audit standards. These standards must be publicised as widely as possible within public service delivery agencies (Hoyi, 1994: 32).

An important development in strengthening financial control in the public sector comes about with the introduction of so-called "Audit Committees." Section 77 of the Public Finance Management Act, 1 of 1999 requires the establishment of such committees by all service delivery agencies. The main purpose of such an Audit Committee is to evaluate accounting policies and procedures, and to review financial reporting (Botha, 1994: 73). The duties of these Committees can be presented as follows (Botha, 1994: 74):

- The creation of a culture conducive to efficient financial planning and control.
- Regular monitoring of systems for effective internal control and evaluation.
- The implementation of a sound system for financial reporting.
- Evaluation of financial policy.
- To ensure that accounting policy is in line with the requirement of GRAP (General Recognised Accounting Practices).
- Discussion and approval of annual financial statements before these are submitted to the Auditor-General and the legislature.
- The identification of, and pro-active management of risk areas.
- Monitoring of adherence to all statutory prescriptions and policy related to financial management.
- The formulation of audit requests to both internal, as well as external auditors.
- To ensure that no undue restrictions are placed on either internal, - or external auditors in the execution of their duties.
- The evaluation of all reports of both internal, as well as external auditors.
- Discussion of any and all problems experienced by both internal, as well as external auditors during the execution of their duties.
- Consideration of recommendations of both external, as well as internal auditors.
- To monitor whether approved recommendations of external, as well as internal auditors have been implemented properly.
- Analysis of co-ordination between the activities of internal, and external auditors.
- Evaluation of the effectiveness of the internal audit function.
- Evaluation of the cost of internal, as well as external audits in the light of the value-for-money principle.
- To monitor whether all resources put to the disposal of the service delivery agency have been utilised optimally.
- Regular evaluation of the cash flow situation of the service delivery agency.
- Reporting to management and the legislature regarding the Committees

According to the author (Van der Nest, 2001: 25) concludes the advantages of audit committees as follows:

- The audit committee is unique in that it provides a forum where management and auditors can deal together with issues relating to the management of risk and with financial reporting obligations.
- Provision of an independent internal audit function.
- Improvement of risk management.
- Application of sound corporate governance principles.
- Effective operation of the internal control system.
- Effective dealing with fraud and corruption.
- Increased co-ordination of internal and external audit work.
- Assistance to the accounting officer with regard to accountability in the department.

One of the main reasons for the introduction of Audit Committees was the increasing pressure world-wide on executive, legislative and administrative authorities to comply with the sound principles of corporate control (Oosthuizen, 1997: 13).

(b) External Auditing: The Auditor-General (presently Mr. Shauket Fakie) is, in his own words, the watchdog of the taxpayer, and tasked with the responsibility of drawing attention to cases where public funds are not spend appropriately (Beukman, 1999: 5). He is appointed in terms of Section 188 - 189 of the Constitution of the Republic of South Africa, 1996, and his Office exclusively performs external auditing in the public sector in the national and provincial sphere of government. This Office is independent of any executive authority, and reports directly to the legislature via the Public Accounts Committee.

In broad terms, the Office of the Auditor-General performs the following external audits:

- Comprehensive auditing comprise of two broad dimensions, namely (1) regulatory audits, and (2) performance audits. Regulatory audits focus on

compliance to financial regulations and directives, sound financial bookkeeping and the authorised utilisation of resources. (Loots, 1997: 9 – 10).

- *Regulatory auditing* (Loots, 1997: 9 – 10):
  - *Financial auditing:* Financial auditing is an independent, external evaluation of the accounting systems and results of a department with a view of formulating an opinion regarding:
  - The appropriateness of existing control measures to ensure sound financial management
  - Whether all revenue, expenditure, assets and liabilities where adequately recorded; and
  - Whether annual financial statements can be regarded as a true and reasonable reflection of the financial position of the public service delivery agency.
  - *Adherence audits:* The aim of this kind of auditing is to determine whether all relevant prescriptions and directives have been adhering to.
- *Performance auditing* focus on the three E's: Efficiency, effectiveness and economy in conducting financial management. Management auditing also forms part of performance auditing – auditing to determine whether or not management goals and objectives have been realised, and if not – to recommend affirmative measures (Smit, 1994: 72).
- *Computer auditing.* The gradual computerization of public service delivery agencies has necessitated the establishment of a specialist computer audit function in the Office of the Auditor-General. Most financial, provisioning and human resources information systems are already computerized, and to audit these systems is a specialized function (Oosthuizen, 1998: 6).
- *Forensic auditing.* The purpose of forensic auditing is an in-depth investigation into serious irregularities such as theft and fraud (Oosthuizen, 1998: 6).

(c) *Reporting by the Auditor-General:* Section 188 of the Constitution of the Republic of South Africa, 1996 stipulates that "(t)he Auditor-General must audit and report on the accounts, financial statements and financial management of –

(a) all national and provincial state departments and administrations;

(b) all municipalities; and

(c) any other institution or accounting entity required by national or provincial legislation to be audited by the Auditor-General.

The Public Finance Management Act, 1999 has fundamentally changed the way in which the Auditor-General reports on the state of public service delivery agencies (with special reference to its financial position). Section 8, read in conjunction with Section 19 of the Public Finance Management Act, 1999 stipulates that –

- The Treasury must compile consolidated annual financial statements for each of the departments, public entities, and so forth under their jurisdiction (either provincial and/or national) and submit these to the Auditor-General within three months after closing of the financial year.
- Within three months of receipt of such financial statements, the Auditor-General must submit the audited statements to each of the executive authorities (Ministers) responsible for a specific service delivery agency.
- The executive authority must then present these statements, within one month after received from the Auditor-General, to the relevant legislature for consideration.

Section 40 of the PFMA, dealing with the reporting responsibilities of accounting officers, stipulates that public service delivery agencies must submit –

- Complete annual statements within two months after the closing of the financial year to the Office of the Auditor-General;
- Particulars of the agency's key business, its performance against predetermine standards;

- The agency's response to audit findings of the Office of the Auditor-General.

The reports of the Auditor-General are presented to the relevant legislative authority. It is submitted to the Speaker of the legislature, who then channeled it to the Public Accounts Committee (concluded from Janse, 1974: 26).

11.5.3 Role of the Public Accounts Committee in promoting public accountability

The Public Accounts Committee is a committee of the legislatures on both provincial, as well as national level of government. (Provincial = PRPAC – Provincial Public Accounts Committee; SCOPA – Select Committee on Public Accounts).

The members of the legislature are appointed on a proportional basis by the representative political parties to serve on the public accounts committee. Oosthuizen (1998: 9) identified the mission of Public Accounts Committees in South Africa as follows: "Committees on public accounts must institute incisive investigations in an unbiased and apolitical manner with regard to financial administration and hold the executive authority responsible for the expenditure of public funds and its stewardship over state assets to ensure orderly, economical and effective state expenditure. Such committees must be capable of ensuring that the government receives value for money and those public funds and assets are managed effectively. Through such assurance the confidence of the general public in government institutions will be strengthened."

The Committee's role in ensuring public accountability can be summarized as follows (Oosthuizen, 1998: 9):

- The most important function of the committees is to investigate the accounting and financial matters mentioned by the Auditor-General in his reports. The committees perform this function by requesting the accounting officers of the various departments of the state administration and other state organs which were audited by the Auditor-General, to appear before the committee to give evidence.

- The committees can make recommendations to the relevant legislatures to improve the expenditure of public funds. The committees can also take the initiative in improving the financial management and control measures for the relevant spheres of government.
- The committees must also regularly monitor the effectiveness of the tax collection system.
- The committees do not interfere with, or express themselves regarding government policy; the merit, or de-merit thereof.
- The committees and the Auditor-General or his/her representatives work together to ensure the highest possible accountability to the legislatures. In the process of accountability, the Auditor-General and his/her personnel act in a supportive role to committees.
- The public accounts committees work in close co-operation with the media; who eventually report on their findings and activities, and plays a very important role in realizing public accountability.

The Committees cannot make any binding decisions, but compile a report that is submitted to the legislature to be authorized as binding decisions, else to be referred back to the committee for re-consideration. In its reports, the Committee will focus on the following areas (concluded from Van Straaten, 1981: 10):

- Unauthorized expenditure.
- Refusal of any witnesses subpoenaed to appear before the Committees.
- Instances identified where the possibility exist for wastage of money, and cases where inadequate administrative and management arrangements were identified.
- The Committees do make recommendations regarding the cost-effective utilisation of resources from time to time.

11.6 CONCLUSION

Mere service delivery, whereby public services are being made available to clients (the community) is not enough in a post-modern management environment. The quality and quantity of service delivery has become enormously important. In some way the two are direct opposites, but it is important for the public service to negotiate a trade-off between the two with the community involved. The recognition of the importance of quality has lead towards renewed emphasis being placed on Total Quality Management in the management systems of the South African public service.

It is important for service delivery agencies to have reliable risk assessment procedures in place to thoroughly scan the service delivery environment, and determine the ability of the service delivery agency to respond to the demands placed on it by the environment before it engaged in service delivery planning.

The Auditor-General is playing a role of continuous importance in the contemporary South African public service. The days when his/her Office was merely responsible for auditing the financial statements and procedural regularity of financial transactions have passed. The role of the Auditor-General is much more strategic these days, with his Office being responsible to express an opinion on the realization of strategic objectives by service delivery agencies.

The official management framework according to which service delivery initiatives are being managed in the South African public service have undoubtedly improve over the last couple of years. However, the problem lies with implementation – where much are left to desire.

"It is not a question of what the country can do for us, but rather, under the Arch of Democracy, what we can do for ourselves, each other and southern Africa."
Friedman, Mike

CHAPTER 12

CONCLUSION

"Whatever its shortcomings today ... (South Africa) is a far happier place than it used to be, and a far happier place than it might have been. In time, it may yet fulfill the promise of the Mandela years."
The Economist, February 2001

12.1 INTRODUCTION

No analysis can ever be totally objective. An analysis is eventually nothing more than the opinion of a person, or a group of persons that is based on their interpretation of what is to a certain degree objective scientific data. The bulk of the analysis contained in this study was done from the perspective of stating an ideal and then compare it with the reality in the South African public sector. However, even these efforts were clouded by the author's perspective on-, and interpretation of the specific issue in hand. Nevertheless, an effort was made to present a factual evaluation of the governing and management framework for development in the South African public service.

The strategic theme of this study is development – more specifically, the management processes, structures and systems in place in the South African public sector to enable development in the country. However, the term 'development' is a complicated concept when placed within a broader context such as a *management vision or goal* (a deliverable 'product'). The approach that has been put forward in this study is that, expressed in simple terms, development realises if *all* the citizens of the country experienced the benefits of a *better quality of life for all the citizens of South Africa*. For most this will mean a considerable *improvement* in the quality of life that they are enjoying presently.

The four elements required for a proper contextual understanding of the concept of development were –

- Development is futuristic in nature
- Development is in essence about orderly evolution, rather than overnight change
- Development can be linked to effective utilisation of scarce resources (the productivity ratio)
- Development is a human-driven and human-centered phenomenon.

The concept of development cannot be managed as a practical, manageable phenomenon without realizing that change and transformation are key aspects thereof. As a management phenomenon, development *is* indeed a process of regular, continuous strategic change intervals.

In order to strategically analyse a South African model for the management of development initiatives, it is necessary to follow a structured approach. Key elements of / steps in such an approach are the following:

- *Bench-mark* the concept of development as a tangible management phenomenon.
- *Analyse the environment.* This will enable public service delivery agencies to determine the need for development, and subsequently develop appropriate goals and objectives to drive the management process (interventions) required to realize these goals and objectives.
- *Analyse the governing function in South Africa* whereby development policy (an practical expression of the goals and objectives for development) is set.
- *Analyse the management framework* for development in the country. Such an analysis must include an evaluation of the structures, systems and process in use in South African service delivery agencies that enable them to managed development initiatives.

As indicated in Chapter 1, the final analysis that were done in this Chapter, and focus on the following:

- To summarize the findings of the study related to the three broad aims of the study; namely –

- An analysis of the need for development in South Africa. This primarily entails an analysis of the requirements of the South African environment with a view of determining the requirements (determinants) imposed by this environment on the need for development.
- An analysis of the policy-framework that provides direction to the management of development programmes. This analysis entailed an investigation into both the structure, as well as the process for policy-making.
- An analysis of the resource-base available to enable development by public sector development agencies. This analysis included an evaluation of the way in which South African public service agencies manage these resources and the processes of service delivery.

- To compare the findings of the analysis done in the scope of the study with the requirements for sustainable development exposed in Chapter 2, where the concept and process of development were bench-marked.

The results of the above-mentioned process(-es) will enable a comparison between the results of the analysis made in this study and the prerequisite determined for meaningful and sustainable development. This would imply a situation where it could be determined whether the Key Performance Indicators measuring the success of the study have been met.

12.2 EVALUATING KEY FINDINGS AGAINST STUDY AIMS

As stated in the above-mentioned paragraphs, the aims identified for this study in Chapter 1 followed a processmatic approach aimed at analyzing –

- The need for development in South Africa. This analysis primarily relied on the results of an analysis of the South African public service environment.
- The policy-framework that provides direction to the management process aimed at development. This essentially entails an evaluation of the scope and nature of the public goals and objectives that guide the development process in South Africa.

- The resource-base available for development in South Africa, and the way in which these resources are being management to achieve optimal service delivery-for-development.

12.2.1 Analysis of the need for development in South Africa

A wide variety of environmental influences are impacting on the service-delivery responsibilities of public service delivery agencies. These influences include the availability of resources (money, people, and so forth), political leadership, social conditions, the management of the organization, for example All these influences either enable, or prevent the public service-delivery agency in the execution of its primary role; which is to deliver public services and goods to the public.

As is evident from the analysis made in Chapter 3, three 'kinds' (types) of environmental factors may eventually provide the basis for the formulation of development policies; namely:

- The global environment
- The regulatory environment (Government / ideologies)
- Internal management environmental circumstances

The environment within which public sector service delivery agencies function not only determine the scope and nature of their development-related tasks and responsibilities, but also the resource-base available to them to meet these development challenges. These agencies are functioning within a dynamic, ever-changing environment, and must thus adapt its structures, systems and processes to respond pro-actively to these challenges and/or threats.

The first environmental influence that was analysed was the changing nature of the normative foundation of the South African public sector. Some of the trends identified were the following:

- A regrettable move away from Christian values as a foundation for the activities of public servants in South Africa.
- The rapid Africanization of management structures and philosophies in South Africa.

- A general drive towards national reconciliation as a major philosophical foundation for all kinds of interaction in the South African society – including management activities in the public sector.
- The institutionalisation of constitutionally determined value systems in the South African public sector.

Some of these most predominant features of the modern-day global reality identified in Chapter 3 that impact on the need for development, and influence the ability of South African service delivery agencies to meet these challenges are –

- A world-order characterised by rapid change and uncertainty.
- Ever-increasing racial and class clashes.
- The domination of the world-scene by a single superpower, the U.S.A. that, to some extent, enforces its ideologies and cultural preferences upon the rest of the world, and use its dominant economic and military power to manipulate world-body and (indirectly) the national policies of recipient-countries of their grace.
- Realignment of interest groups along religious lines, and general restructuring of the global structural order after the collapse of the bi-polar political system.
- The domination of a few rich countries of the global economic system through their dominance over international financial and monetary organisations.

Closer to home, mention has been made of the influence that South Africa's geographic location on the African continent has on its environmental positioning. Turmoil in Zimbabwe, extreme poverty in just about every country to the north of South Africa, and the continent's legacy of colonialism and severe racial discrimination are all factors which necessitate, and more often than not – hamper its ability to manage effectively for the realisation of sustainable development.

Other environmental factors that manifest themselves on a macro level, and have a direct influence on the nature and scope of development initiatives, as well as on the strategic ability of public sector service delivery agencies to realise development goals are –

- The rapid expansion in knowledge and information; manifesting in supreme technologies such as the Internet and related high-tech industries.
- A physical environment characterised by artificial food supplies, artificial interference in the life cycle of natural organisms and the destruction of the physical environment to support the rapid-crowing human population.

Some of the most pressing and contemporary environmental influences identified in Chapter 4 as internal to South Africa that deserve further mentioning at this stage, because of the potential negative impact it may exercise on the ability of the country to develop itself, are the following:

- *Racism:* One of the key findings resulting from the analysis done in Chapter 4 was that South Africa's history is clouded by racism. This will haunt the country for centuries to come – no question about it. Racism come from 'both sides' – white, - as well as black. To motivate the point, and emphasise the point raised in Chapter 4, it can be stated that there is very little difference between the racially-based shooting of innocent black people on a bus by a white man embittered by the practical effects of affirmative action, costing him his job; and that of a black man murdering a white farmer, without stealing anything from his home, because of pure hatred.
- *Unemployment:* The issue of unemployment was identified as a major challenge for development during the scope of Chapter 4. When recruiting its administrative staff, the national lottery operator Uthingo received 10,000 applications to fill 132 vacancies. Applicants were mostly university graduates (Machaba, 2001: 52). Unemployment has reached epic proportions in South Africa, and is a waiting time bomb than can go off at any time and destroy all that has been achieved in the country since 1994. This can end all hope for meaningful development in the country for years to come.
- *Farm-murders:* Farm-murders in South Africa are much worse than that in Zimbabwe if statistics are compared. However, the high-profile nature of the Zimbabwean situation ensure that the world take note of what is happening there, while little concern is shown for the situation in South Africa. Another statistic of note is that, since the farm-invasions have started in Zimbabwe,

attacks on farmers in South Africa have increased dramatically (Volksblad, 2000: 2).

Although the government insists that the core reason for farm murders are petty crime, it is hard not to believe that there's no element of organised force behind these attacks. More often than not, the only article[s] that is stolen during such attacks are weapons (if anything are stolen). Attacks on farms are often executed with military precision. It is indeed the opinion of the author of this study that most attacks on farms are politically motivated, and executed by organised groups with direct links to ultra-militant former freedom movements, and that the main motivation are their hatred for white people (in general) and farmers (in particulars), and, secondly, a quest to chase white farmers from their farms because of a deep-rooted belief that these farmers have robbed blacks from the land, and that they now have an obligation to regain this land. A government sympathetic (although not supportive) to these sentiments does not actually help to curb the cycle of violence; especially if they insist in treating these attacks as common criminality.

Other environmental factors identified in the scope of Chapter 4 that can be regarded as a potential threat to development in South Africa include:

- The declining infrastructure, with the conditions of roads deteriorating to such an extent that it will soon become inadequate to support meaningful economic activity in some parts of the country. The rail-network of the country is also slowly but certainly deteriorating. Already the existing rail infrastructure is inadequate to support port facilities in enabling effective international trade to and from the country (Millar, 1999: 2).
- 'Informal settlements.' Not only are these kinds of settlements a threat to its surrounding environment, but the main threat posed by such structures is the subhuman living conditions of the people staying there. Constant smoke and a smoky smell, poor toilet facilities, crime and desperate poverty create an unsaved and unhealthy environment – to put extremely mildly. A person staying in one of these facilities will be naturally attracted to socialism and communism, because – regardless of all theoretical debates regarding the

pro's and con's of economic systems that have succeeded or failed elsewhere, his or her lot can only be approved if the country's resources are to be artificially re-distributed.

Wealthier home-owners, use to a government that has traditionally aggressively protected their property rights, have more and more nightmares of informal settlers invading their area and causing the value of their property to collapse. To mentioned but one example of such an occurrence, mention can be made of an informal settlement that was erected between existing houses in the Bloemfontein suburb of Noordhoek early in 2001 (Coertzen, 2001: 1). But, to be perfectly fair – what reasonable person with a bare minimum level of compassion can blame a homeless and unemployed family that moves into an empty holiday (beach) house in the middle of a bitterly cold and rainy winter?

However, according to Mr. Tsikoe, director of urban planning and housing of the Greater Bloemfontein Local Council, land invasions hampers sustainable urban development (Gericke, 2000: 1). It is from this perspective that the opinion can be expressed that such unlawful invasions hamper sustainable development.

- HIV / AIDS. According to a study issued by the World Bank in 2000, more than 50 million people worldwide are already infected with HIV/AIDS. More than 16 million have already died of the disease at that stage. Everyday an additional 15,000 are affected – of whom about half are between the ages of 15 and 24 (Van Tonder, 2000: 3).

  The government's controversial handling of the HIV/AIDS epidemic is a matter of serious concern. Instead of mobilising the country in combinedly fighting the disease, the government has decided to get involved in petty issues such as whether HIV causes AIDS. The government's unwillingness to provide anti-AIDS medication to certain categories of patients is another area of concern; especially if the possible future effect of the disease on the South African community is taken into account.

Professor Jerry Coovedia, well-respected gynaecologist-obstetrician at the Natal Medical School has an interesting theory in this regard. He believes that the country's response to the HIV/AIDS epidemic is characterised by a strong sense of denial because the people of the country is still captured by the euphoria of just winning a long struggled for freedom. They were clearly not be prepared to be denied or robbed from enjoying the fruits thereof by a seemingly uncontrollable disease (Mzolo, 2000: 18).

- The Zimbabwe dilemma. Farm-invasions, total disregard for the rule of law, government-supported lawlessness, and (especially) the South African government's response to this situation have created a serious mistrust towards the South African government in the world; especially the Western world. President Mbeki's initial refusal to reprimand his counterpart in Zimbabwe was followed up with tentative acknowledgements that the situation in that country impacts negatively on investors' confidence in the whole region – South Africa included, and by insurances that a similar situation will not be allowed to developed in South Africa (Sake-Volksblad, 2000: 17). This problem is further worsened by the fact that "(i)nvestors are shunning South Africa and its neighbours as Western corporations associate Africa with wars and unstable governments ..." (Makhanya and Paton, 2000: 17).
- The decline of inner cities. The decline of inner-city areas is a worldwide phenomenon in which South Africa participate nowadays. The problem with this phenomenon is the loss of employment opportunities that goes with it, the rise in inner-city crime, and general decline of these areas. Far-reaching suggestions are now being considered in an attempt to solve the problem. In the city of Bloemfontein, for instance, community service, penalties, educational programmes and talk-sessions are some of the action-steps being considered as possible methods to solve the rubbish problem in the inner-city that, amongst other, chase away prospective tourists (Coetzee, 2000: 4).

- Discrepancies in the standard of living. It is often said that South Africa consists of two worlds in one country: A highly development, industrialised country that competes in the field of high-tech computer technology (on the one hand), and a desperately poor, third world country that struggles with issues such as unemployment, illiteracy and desperate poverty (on the other hand) (Van Eeden, 2000: 1). This reality is perhaps *the* most serious threat to the long-term ability of the country to develop itself, and requires urgent and concentrated solutions.

  Unemployment is the central theme in rising poverty in the country. Nearly 30% of the South African population of working age is unemployed, and forced into a state of poverty, and often crime. This issue is presently enjoying intensive policy consideration on the side of the government and other interests groups.

12.2.2 Analysis of the policy-framework for development

Without clear goals and objectives, no meaningful development is possible. Someone, or some group of people, must give direction to the development process. In a democratic state this is the responsibility of the popularly elected representatives of the citizens. In light of this explanation, it can be stated that the function to determine goals and objectives for the management process aimed at development is in essence a political process, and closely linked to the *governing function.* In the public sector, policymaking is the privilege of political office-bearers. This aspect was exposed and analyzed in Chapters 4 and 5 of the study.

In South Africa the policy-making function whereby the goals and objectives for development by public service agencies are determined is executed within the context of the Constitution of the Republic of South Africa, 1996. This document has transformed the country into a Constitutional supremacy, with the Constitution as the highest law, and any law or conduct in contradiction to its stipulations is invalid. The Constitution of the Republic of South Africa, 1996

(Chapter 2) actively promoted development by promoting human rights. However, the Constitution's distribution of decision-making powers is less lofty, as it creates uncertainty with regard to the distribution of power amongst the various spheres. (Especially Schedule 4 functions, where 'conditional equal' powers have been allocated to both national, as well as provisional levels of government. In instances where the same political party as the one at national sphere of government, governs these provinces, this situation does not create a problem. However, where a provincial government is in the hands of a political party that differs ideologically from the one controlling the national government, this situation results in continuous conflict (for instance the continuous tension between the government of the Western Cape and the National Government).

It is important to continuously keep in mind the ideal set in the Preamble to the Constitution, namely both civil, as well as public decision-making authorities must respect that all those who work to built and develop the country.

South Africa has an impressive Constitution; one of the most progressive in the world. Human rights are well protected, and the document goes through great lengths to arrange the power-relations amongst the various spheres of government, and the institutions involved in exercising government power. However, a thorough analysis of these prescribed power-relations, done in Chapter 5, clearly indicates that the ultimate decision-making power is vested in the National Parliament. Dominant in this power-set-up is the executive authority, with development policy being initiated by Ministers, MEC's and Executive Committees, rather than the legislative authorities as such. The role of these governing structures, in relation to the responsibility to determine development policy, are of special importance for the purposes of this study. It ultimately boils down to the way in which they utilize their Constitutional powers to direct the development process in the country. The analysis done in this regard in Chapters 5 and 6 respectively identified two aspects as especially important for the purposes of this study:

- The distribution of limited resources. Uncertainties originating from the stipulations of the CRSA, with specific reference to Schedule 4 and 5

respectively, regarding the decision-making powers of the various spheres of government needs to be addressed. This problem originates from the consensus politics adopted at CODESA during the proceedings; eventually resulting in the new Constitution. This process brought about decentralized unitary states, and created key uncertainties in respect of the degree of the powers of spheres of government receiving some of the decentralized authority.

This situation has resulted in the duplication of service delivery (and thus wastage of already limited resources), and uncoordinated service rendering, and in tension between the national government and Provincial Governments controlled by non-ANC parties. Service delivery and development ultimately suffered.

- Application of the principle of the separation of state powers. Disturbing tendencies of an "onslaught" on the principle of *trias politica* has became evident in the recent past; especially on the side of the Ministry of Justice, where there was an apparent attempt to interfere in the competency terrain of the judiciary. Another example worth mentioning was that of SCOPA's handling of the armsdeal issue. A lack of oversight over the activities of the executive by the legislature was evident from this event. However, it can nevertheless be stated that the separation of state powers are functioning reasonably well in South Africa. Especially the independent and courageous role of the Constitutional Court is especially commendable in this regard.

  On a sub-physical level, the Constitution, 1996 created a responsive climate for the implementation of development policies by pro-actively prescribing the protection of basic human rights. The establishment of the Constitutional Court was a highly effective step to ensure the impartial and fair adjudication of all issues relating to the protection of these and related constitutionally guaranteed rights and privileges.

  However, structures *per se* cannot bring about any development. What is important is the goals for development determined by these institutions, and the way in which they execute their supervisory functions to ensure that these

policies are finding practical effect, improving the quality of life of ordinary South Africans, and thus ensuring meaningful and sustainable development.

The Constitutional Court has played a lofty role in resolving disputes between the various spheres of government, and in the legal interpretation of the stipulations of the Constitution of the Republic of South Africa, 1996 as well. However, unresolved issues related to the transformation of the legal profession, combined with the illegitimacy of the court system in the eyes of the community remain a set-back for effective government, and an effective judiciary in the country.

The analysis done in Chapter 6 emphasised the important principle that policy-making-for-the-sake-of-development process starts and ends with the voters-cum-taxpayers of the country. It is therefore of the utmost importance for the government in a modern democratic state, such as South Africa, that citizens must be involved in the process of policy-making. The importance of such participation cannot be over-emphasised.

Although there is still room for improvement, it can be stated, confidently, that the post-1994 government in South Africa has gone to great lengths to promote meaningful public participation.

The analysis done in Chapter 7 clearly indicated that a major characteristics of South African service delivery agencies is b*ureaucratic, mechanistic structural arrangements.* In spite of considerable changes in the organisational set-up of South African service delivery agencies, these structures are still very much based on authority-based hierarchical channels. The skin-colour of the new 'top management' has (mostly) changed, but the desire to be the boss has not. South African public servants will not in the foreseeable future accept the necessity for leaner organisational structures, because that will imply fewer fancy posts and less organisational power-positions. Instead, more and more posts are created on the top organisational level of such agencies, but more and more freedom fighters demand such positions as what is perceived as just reward for their contribution to the struggle.

It is of the utmost importance that organisational structures of South African service delivery organisations in the public sector must became more-and-more

organic in nature; capable of responding pro-actively to the demand of their environment. In order to promote the concept of performance-based organisational performance, it will also be necessary to shred chain-structured organisational arrangements in favour of "flat" organisational structures.

12.2.3 Analysis of resources as a management asset for development in the South African public sector

In order to commence with organizational activities aimed at service delivery, it is necessary to make available resources to public service delivery agencies. These resources can be categorized in terms of financial resources, physical resources, personnel and information. The process whereby financial resources are generated, allocated, utilized and controlled can be labeled as financial management. Financial management systems and processes in the South African public service have been characterized by in-depth transformation aimed at supporting the government's drive towards an all-inclusive performance management framework for the public service. Included in this is the bringing-about of a so-called Medium Term Expenditure Framework as basis for budgeting practices, a move from cash to accrual accounting and transformation of the country's tax system. These issues enjoyed attention in Chapters 8 – 9.

The poor standard of financial management; mainly due to a critical lack of financial expertise, is matter of serious concern. The former Auditor-General has, on various occasions, expressed his concern about the loss of critical financial expertise in the public sector. The result was poor financial management and control. An example of this was the findings of the AG in 1999 that the Waterkloof air force head office has wasted millions of rands due to poor financial planning and control (Gibson, 1999: 3).

The transformation of tendering and procurement control was aimed at promoting the participation of previous disadvantaged communities, while the drive towards effective asset – and stock control had as its main aim the combating of fraud, corruption and public service losses.

Perhaps the area most exposed to the application of the Government's transformation policies is that of human resource management. This aspect was analyzed in Chapter 9. The foremost policy initiative in this regard is that of affirmative action; where the employment, and career development opportunities of black people, women and people with disabilities are fast tracked at the expenses of (mostly) white males. Then rationale behind this is the fact that white males where traditionally given unfair advantage in the field of career opportunities in the public sector.

Human Resource Management practices in the South African public sector have changed fundamentally since 1994. Perhaps the most visible of these changes was the changing composition of the public sector's personnel establishment. An aggressive application of affirmative action has resulted in the retrenchment of the majority of former white employees.

Labour relations are another contentious issues in South African public Human Resource Management. Strike-action in the public sector has increased rapidly; causing tension between the government and its alliance partner COSATU. The CCMA, the government's labour dispute resolution body has been dogged by high-profile resignations amid charges of nepotism, mismanagement and unfair labour practices (Mnyanda, 1998: 1).

The rationalisation of the public sector is another important management issue that could have a profound influence on the public sector's ability to effectively manage for development in future. President Mbeki has expressed the view that South Africa needs a smaller, more streamlined public sector, with fewer pen pushers and more functionaries with the required expertise to physically deliver services (Volksblad, 1999: 9). However, this process is progressing extremely slowly.

Another very important human resource-related policy in the public sector to take note of is the introduction of performance management. Employment conditions based on pre-determined key deliverables will dominate the South African public sector employment practices in future; especially in respect of the filling of posts in the senior management echelon. This will go hand-in-hand with considerably

improved remuneration packages offered in an attempt to lure badly needed expertise to the public sector. The introduction of a performance-based management approach will certainly benefit the South African public sector. Part of this package is to set clear goals and objectives for service delivery; which provide a basis for measures of progress with policy implementation as well. A good example of this approach in practice is the SAPS that has prioritized its service delivery areas. In 1999 these areas were as follows (Bothma, 1999: 13):

- Crime involving firearms.
- Crime syndicates.
- Crime against women and children.
- Corruption in the legal system.
- Crime prevention.

12.2.4 Analysis of service delivery expressed in terms of development-in-motion

The perspective of service delivery that can be regarded as development-in-motion was presented in Chapter 10. It represents the *output* dimension of development management. The quality of service delivery will eventually determine whether or not government is successful in improving the lives of ordinary South Africans.

The structured, formalistic framework to ensure quality service delivery in South Africa is captured in the stipulations of the White Paper on Transformation of Service Delivery in the South African Public Sector. This policy document prescribes service standards, and determines the norm for customer care by public sector service delivery agencies. Thorough planning must support the implementation of these strategic plans. In this regard the principles of strategic planning and integrated development planning enjoy growing emphasis in the South African public sector.

In a complex, post-modern management idiom, the concept of sustainable service delivery cannot be separated from the necessity to manage within a

broader strategic context. In the South African public sector an all-encompassing performance management framework has been introduced to meet the challenges of management proficiency in search of service delivery excellence. This approach emphasize the measurement of outputs– and outcomes as a standard for measurement to determine the success or failure of management interventions, rather than processmatic efficiency. The strategic framework to support this approach is to be found in medium term planning, as expressed in departmental service plans, and operational planning contained in annual departmental business plans. On the implementation side, increasing use is being made of the principle of Programme–, and Project management to ensure optimal quality in service delivery.

In Chapter 11 the opinion has been expressed that, in terms of a post-modern management idiom, which must take cognizance of ever-increasing environmental complexities, service delivery agencies must ensure that appropriate strategic control mechanisms are in place to measure both outputs, as well as outcomes in order to analyze whether or not the aims of development policies have been realized. In order to achieve this, use must be made of complex management tools, such as the principles of risk management to be pro-active in identifying possible risks which may impact negatively on the organization's management systems, process and/or procedures aimed at realizing effective realization of development goals.

12.3 BENCH-MARK ANALYSIS: EVALUATION OF KEY PERFORMANCE INDICATORS TO MEASURE THE REALIZATION OF SUSTAINABLE DEVELOPMENT

In Chapter 2 the following have been identified as Key Performance Indicators (KPI's) in an attempt to bench-mark the development process in an effort to enable the evaluation of the success or failure of the South African public service in managing the process aimed at sustainable development.

- Sustainability

- Dynamic change for the sake of improvement.
- Responsive service delivery.
- Performance driven entrepreneurial public management.
- Effective Government.
- Open versus closed institutional systems.
- Management efficiency.

These KPI's will subsequently be used to shortly analyze the institutional management framework in place in the South African public service to achieve and facilitate meaningful development.

12.3.1 Sustainability

It was determined in Chapter 2 that sustainability refers to the principle that change intervals aimed at development must be maintained in order to bring about improvement in the quality of life of all citizens over the long-term (sustainable improvement).

In 1999 Mike Freedman (1999: 2) remarked that South Africa is not in great shape. The country is struggling near the bottom of the world competitiveness league; it is suffering from mistrust, arrogance, racism, violence, male chauvinism, protectionist policies, unhealthy cartels, short-term thinking and a lack of training. The Economist of 24 February 2001 has made the comment that "(d)espite the government's efforts, too many South Africans still lack access to water, land and other essentials of life."

However, the numerous examples in Governmental progress reports are contravening the above-mentioned perspectives, and clearly reflect tangible progress made with service delivery. Fact is that, to measure whether or not the development taking place in South Africa was, and is sustainable, is very much subject to personal opinion; except if it is carefully quantified and measured in terms of an statistical analysis.

12.3.2 Responsive service delivery

There can be no arguments regarding the adequacy of the official management framework being put into place by the South African government to improve service delivery to the South African public service. The White Paper on Transforming Service Delivery in the Public Sector ultimately represents the climax in structuring these attempts.

However, the problem in the South African public service is clearly not in the planning aspect (phase) of service delivery, but in the implementation. Although Charters of Clients Rights are everywhere to be seen, very little of these lofty ideals are visible on a tangible, ground level service delivery platform.

Friedman (1999: 7), after conducting personal investigations in this regard, is of the opinion that the quality of service delivery in the South African public sector has improved (personnel are friendly and competent in the execution of their duties). However, he is of the opinion that efficiency is lacking (clerks can do the same job much faster if he or she is a bit more innovative).

12.3.3 Performance driven entrepreneurial public management

The introduction of a comprehensive performance-based management system in the South African public service can only be regarded as a positive change to promote sustainable development. Van der Merwe (1992: 4) supports the perspective presented in Chapter 10 by stating that the minimum preconditions for any balanced judgement on the performance of a particular department boils down to:

- A clear vision and understanding of the objectives of the different functions, programmes and services for example for which the department is responsible and why.
- The availability of data or information relating to the economy, efficiency and effectiveness of programmes, services, for example.

- The use of correct and valid yardsticks to evaluate the economy, efficiency and effectiveness of different activities and programmes.

The performance management model introduced in the South African public service complies with the above-mentioned requirements, and is outcome-based. This system has therefore also placed renewed emphasis on the role of the Auditor-General as Accountability-watchdog over the performance of public service delivery agencies. However, performance management has changed the way in which the Auditor-General must go about doing his work. Feedback regarding performance is not any longer restricted to financial results, but also includes whether strategic objectives have been reached, and what it cost. This aspect was exposed in Chapter 11.

Performance management lean heavily on the productivity concept. This concept was shortly discussed in Chapter 8. This aspect can be measured in terms of the three E's: Economy, efficiency and effectiveness; with the first two relevant for measuring the success or failure of management systems and processes, and the latter (effectiveness) referring to the success or failure of outputs / outcomes (service delivery).

12.3.4 Effective Government

Effective governance enjoyed thorough attention in Chapters 5 and 6. Conclusions made in these, and sections in other Chapters appropriate for the purpose of this discussion, can be expressed as follows:

The framework within which the system of government and management is operating is captured in the Constitution of the Republic of South Africa, 1996. A key ingredient of this document is the rather aggressive protection of individual human rights. Although this is commendable within the context of the contemporary international value-system, it is often reasoned that the main weakness of this aspect of the Constitution is the lack of any meaningful protection for group-rights; especially within the context of the diverse nature of the country's population.

The official power structures prescribed in the Constitution have vested the legislative authority of the country in the Parliament (or, with regard to provinces – Provincial Legislatures, and in the case of municipal authorities – Municipal Councils). However, the dominant position of the ANC in most of these legislatures, read in combination with the grip of the leadership echelon (strongly represented in the executive authority) on caucus decision-making via Party-political structures has shown signs of blinking on the bridge of undermining the overriding authority of the legislative authority. This controversy was worsened by the apparent politicization of the post of Speaker of the National Assembly. Add to these apparent attempts by the Minister of Justice to bring the judiciary under executive control, and it can indeed be stated that the very important principle of the *trias politica* is increasingly being endangered.

On the positive side it must be mentioned that the way in which the Constitutional Court is applying the principles, entrenched in the Constitution, is truly commendable. Regardless of whether or not individuals are supporting or not supportive of the judgments of this Court, it is safe to say that it is truly independent and impartial, and due consideration is given to all matters presented to it. Examples are –

- The decision of the Court to confirm the right of the Western Cape to enact its own Constitution in terms of the contents of Sections 142 – 145 of the Constitution of the Republic of South Africa, 1996; in spite of resistance to the idea by the national government.
- The decision of the Court that the death penalty is unconstitutional in terms of Sections 11 and 12 of the Constitution.

However, the Constitution also has its limitations and weaknesses. One of these, in the opinion of the author of this study, is its attempt to reconcile divided opinions on the division of the power of state amongst the various spheres of government. Schedules 4 and 5 of the Constitution, which mostly deals with this aspect, is confusing. The intention with schedule 4 was to deal with matters where the national and provincial authorities share decision-making authority. However, when read within the context of Chapters 4 and 6 of the Constitution, it

is clear that the *final* say in respect of these matters is vested in the national government. Schedule 5 is supposed to allocate exclusive decision-making powers to provincial authorities, but read within the context of Sections 146 – 147 of the Constitution, it is clear that, in the final instance, national legislation will prevail, and provincial authorities do not have any *original* legislative powers. These stipulations of the Constitution is confusing, it causes tension between the national government and provincial authorities governed by apposing political parties and results in duplication of activities and scarce public resources. This issue needs to be addressed.

A negative aspect of the South African political terrain is the dominance of the ANC, and its virtual monopoly of the policy Agenda. The opposition is too weak, too divided, and often seen as too illegitimate by the majority South Africans to exercise any real influence on the setting of the policy agenda for development.

The key theme in the government's policies is *transformation*; with the ultimate emphasis on the quest to improve the quality of life of the poorest of the poor in the country. If the legislation enacted by the government, and the policy initiatives announced since its election in 1994 are analysed there can be no doubt that this theme has been actively pursued. However, everything is not necessarily well. There are growing indications that the privileges associated with, and resulting from newfound prestige and wealth associated with high positions and political power has left its mark on the individuals placed in these positions after 1994. Salary-increases for members of Cabinet and Parliament were much higher than those awarded to public servants, with the same thing happening in 2001, and growing indications of nepotism (often exercised under the broad umbrella of 'affirmative action') is causing growing dissatisfaction amongst black township dwellers; for whom April 1994 has brought no improvement in their desperate poor quality of life.

12.3.5 Open versus closed institutional systems

The aspect related to open versus closed institutional management systems was analyzed in Chapter 7. The conclusion was that organizational structures and information systems in the South Africa public service are extremely mechanistic in nature, and in general incapable of responding responsively to sudden changes in the service delivery environment. The structures and management information systems of public service delivery agencies will have to be made more organic and dynamic; capable of responding quickly to any changes in its environment.

12.3.6 Management efficiency

The modern-day management framework in the South African public sector is fundamentally different from the one inherited from the pre-1994 dispensation. This framework was broadly exposed in Chapters 8 – 9.

The intention of most of these changes was to make the public sector into a dynamic entity capable of implementing the government's transformation policies. The intention was to facilitate development via the transformation policy agenda. In some instances these changes have succeeded in this objective:

- The introduction of a comprehensive performance management and budgeting framework; which allows for clear development objectives to be set, and the realisation thereof to be measured was a step in the right direction. This will advance the realisation of efficiency and effectiveness in the management of development initiatives.
- The introduction of a rolling medium term strategic focus for the management of public services; both in terms of the introduction of three year corporate planning, and supporting three year budgets will benefit realistic development planning in the public sector.
- The contractual appointment of the senior management echelon in the public sector is an international tendency that was long overdue. The same goes for

the principle to pay competitive salaries to attract appropriately qualified and experienced managers to the public sector.

- The emphasis on training and development within the public sector is commendable; as is the emphasis on quality service delivery and the increasing focus on service delivery via utilisation of principles of project management.
- A renewed emphasis on accountability-focused public management.

12.4 SOME CONCLUSIONS ON THE STATE OF DEVELOPMENT IN SOUTH AFRICA

The perspective that was presented in this study was that various environmental factors are influencing the need for development, and the ability of the South African public service to effectively manage these programmes and/or initiatives. These factors were broadly divided into two categories, namely global influences, and national influences.

The drive towards globalization has created its own unique influence on the South African government's development initiatives. The world has become a global village, with the actions of one inhabitant of the village influencing all. In the planning for, and execution of development policies, programmes and initiatives, the South African government must take cognizance of a variety of global realities, the most important of which includes:

- The high-tech nature of the post-industrial community. Any country that hopes to compete in this environment must keep track with the continuous need for technological improvement. If South Africa falls behind in the race for technological development, the country will not be able to maintain or improve its international competitiveness. If this happens, the country will not be able to compete successfully in the global market place, and will not share in the pool of global resources available to create wealth.
- South Africa must take note of the state of decline in the global physical environment. Indiscriminate exploration of the planet's natural resources, and

the human being's scientific interference in the environment has created a threat to the continuous existence of the human race. Add to this the all-of-a-sudden serious threat of biological warfare (especially after the events of 11 September 2001) and it can indeed be said that the world is facing a point where the planet will not be able to maintain its citizenry (and definitely not in a healthy state).

In pursuing the quest for development, the time has arrived to be cool-headed and consider carefully the possible impact of development-policies on the physical environment.

- The ideological / political order of the world in which South Africa finds itself is rapidly and continuously changing. Events such as the terrorists' attacks on the U.S.A. and increased religious tension have demolished the strange relative safety of the former bi-polar world-order (communism against capitalism [America vs. the former U.S.S.R.]). Characteristics of this world-order includes the following:
  - A single dominant superpower in the form of the U.S.A. that has created considerable resentment amongst (especially) poorer nations of the world for the way in which it has conducted its foreign policy, and amongst Arabic / Muslim people for its apparent siding with Israel in the Middle East conflict.
  - The rise of democracy and human rights as global moralities. These are increasingly used to determine nations standing in international affairs.
- A global factor that exercises a definite influence on a nations ability to meet the development demands of its community is the unequal nature of the global economic set-up. Rich, donor countries are using financial aid, either directly, or via the structures of international monetary institutions.

What is the state of development in South Africa? The best way to analyze the national factors impacting on development in South Africa is to compare the environmental realities, as presented in Chapter 4 (and, to a lesser extent, alsewhere in the study) with the characteristics of a "developed" state presented in Chapter 2. Using the indicated characteristics as base data can facilitate such

an analysis. The final analysis in this regard will be done by presenting comparative opportunities for, and threats to sustainable development in a table format.

KPI (Key Performance Indicators)	Opportunities for development (Positive for achievement of KPI's)	Threats to development potential (Negatives for ability to achieve KPI's)	Conclusion (Analysis) Comment References
Potential for economic growth to make available adequate resources for development	◦ Reasonably well-developed infrastructure; especially within an African context. ◦ Re-admission to global economic community. ◦ Access to international funding via structures of World Bank and IMF. ◦ Structure of South Africa economy is in line with contemporary trends (rise in service sector – see comparative statistics, page XLVII – XLVIII). ◦ Apparent sound fiscal control. ◦ Black Economic Empowerment has the potential to unleash a huge untapped entrepreneurial source. ◦ Promotion of SMME's.	◦ Declining infrastructure. ◦ Termination of anti-apartheid sanction did not result in expected investment. ◦ International funding conditional, and based on unequal functional relations between nations. ◦ Economic growth did not result in increased employment opportunities. ◦ Persistent cash flow problems experienced by Provincial and Local Authorities. ◦ Increased labour actions against privatization and a drive towards capitalism. ◦ Inability of South African economy to be competitive in increasing	◦ "Unknowns" (regarding to be classified as 'positive' or 'negative'?): GEAR – a move towards an capitalistic economic system? ◦ South Africa is a "developing" economy. This implies that the country is very exposed to the international economic fluctuations, and it is very important for the country to take "the right" economic policy decisions. ◦ The South African economic policy ideology is linking in the direction of capitalism at present. However, fierce resistant to this approach is being experienced from the side of partners of the ANC government in the tripartheid alliance.

		globalization ◦ CRIME – chase away both internal – as well as foreign investors – and tourists.	
Adequate employment opportunities to combat poverty – and related socio-economic decline	◦ Black Economic Empowerment, as well as the promotion of SMME's – potential for coming-about of numerous new business venture, with resulting increase in job creation. ◦ Unemployment is a government priority – Job Summit was held where various options for employment creation was identified.	◦ Increased unemployment. ◦ Discrepancies in unemployment amongst racial groups – threat of increased inter-racial tension. ◦ Urban decay – job opportunities in inner-city areas are declining. ◦ Brain drain is placing serious constrains on the ability of the country to create new employment opportunities. ◦ Illiteracy – a substantial proportion of South Africa's population are 'unemployable.'	◦ Unemployment is a serious concern for South Africa. ◦ See table - par. 4.4.2 (Chapter 4). ◦ South Africa's present predicament is that it has to be part of the "third wave" of economic renewal in, with an emphasis on the service industries. The unfortunate of this scenario is that this industry is the one that does not create a lot of employment opportunities.
Social equity, and promotion of human rights to create a community based on the principle of equality and respect for basic	◦ Aggressive international drive towards enforcing respect for human rights. ◦ Strong African drive towards democratization of the Continent.	◦ Declining role and influence of religious – and church groups in the South African society. ◦ Social inequality – huge gap between 'have's' and have-nots.'	◦ South Africa is strong in this requirement for development. The country has a progressive Constitution with strong emphasis on the protection of democratic – and

human rights.	◦ Progressive Constitution based on the principles of Constitutional supremacy and protection of human rights (Chapter 5). ◦ Quest for a new normative foundation for public management activities in which human rights feature strongly. ◦ Creation of a culture of equality and respect for human rights.	◦ Urban decay and squatter camps. Resulting in inhuman living conditions, resulting in a depressed life-style and an increasing crime rate. ◦ Crime and corruption are slowly but certainly becoming a way of life in a lot of communities and are eroding the country's potential for growth and development.	human rights.
Community involvement	◦ Creation of a true participative democracy is a Government priority. ◦ Official government structures in South Africa have pro-actively been made more accessible.	◦ Opponents of the government and government policy are being ignored, or regarded as unpatriotic. Not allowed meaningful participation. ◦ Enormous discrepancies in access to communication media. ◦ Racism and racial stereotyping remain a serious threat to sustainable development.	◦ The South African government is serious about practicing actual community involvement in policy-making and service delivery. A variety of Charters of Client Rights are evidence of this. ◦ The South African civil community is highly mobilized after the years of anti-apartheid struggle have lead to the establishment of an active organized community. The result is a community that is aware of their rights, and vivid in demanding their client rights.

			◦ Please refer to the attached schedule XII on pages XLI – XLVI.
Technological advancement	◦ South Africa is the one African state that is best placed to participate actively in the increasing technocratic new world-order. Most of the Internet links and information technology in Africa is available in South Africa.	◦ In spite of its relative strength in African context, South Africa is still performing poorly in the international context in the development and utilization of new technologies. ◦ Enormous discrepancies in access to communication media.	◦ Please refer to the attached schedule XII on pages XLI – XLVI.
Demographic equity and decent living conditions	◦ Relative high percentage of urbanization; which an average implies an increase in the standard of living.	◦ Demographic inequality: Large areas with poor population vs. relatively small geographic areas with relative wealthy population. The impact on cost-per-service-delivery units is enormous. ◦ Poor living conditions for a substantial proportion of the South African population. • Indiscriminate urbanization has resulted in poor socio-economic	◦ Please refer to the attached Schedules II and IV for a comprehensive statistical overview on the living conditions of the South African population.

		conditions and cultural estrangement (alienation) in numerous communities.	
Responsive and quality service delivery	◦ Increased and pro-active policy-reaction to improve service delivery.	◦ Racial and gender skewed quality in service delivery; mainly due to previous dispensation. ◦ Private sector, high quality services available to rich – inaccessible to the poor.	◦ Note skewed quality of service delivery in terms of "outcomes" i.r.o. fertility and life expectancy (racial / gender) – Schedules II (pages IX, X and XII).
Safety and security	◦ High level of public awareness of the crime problem. An important component of the South African policy Agenda.	◦ Crime epidemic in South Africa ◦ Serious concern is the extent of involvement of police-officers in crime	◦ The lack of safety and security, specifically with the high crime rate in mind, is perhaps the single most serious threat to sustainable development in South Africa.

12.5 SUMMARY

Development must be contextually understood. Not all persons will react similarly to circumstances in their environment. Their behaviour in certain situations will be determined by a wide variety of factors, including their upbringing, their cultural framework within which they reason and function, for example. Similarly government will react within the contextual framework composed of its predominant ideological perspective, its understanding of history, its perception of the dominant viewpoint regarding the matter in society, and so forth.

South Africa's economic limitations have placed serious constrains on the country's ability to formulate and implement sustainable development policies. One of the extremely negative side-effects of this reality was the continuous cash flow problems experienced by various Provincial and National authorities in the country, where the National Government was eventually required to bail them out in terms of Section 100 of the Constitution of the Republic of South Africa, 1996. The implications of this were that these authorities surrendered their autonomy in terms of the Constitution to the central government.

South Africa is a "developing" country, which made it a bit more 'unequal amongst equals' in the global economic structure. In this regard it is essential for the country to take cognisance of the reality of the global village in which it find itself; characterised by the domination of a single remaining superpower, a declining ability of the physical environment to sustain life and a rapidly changing world-order.

Limited economic resources to facilitate development caused various socio-economic problems in the country. Amongst these are the enormous gap between the rich and the poor in the country. This reality is threatening to explode and plunge the country in anarchy. A declining infrastructure is further eroding South Africa's ability to construct meaningful economic growth.

A decrease in the role and function of religion and churches in the country has gradually eroded the moral fiber of society. The result is a South African reality characterized by a staggering crime rate and the transformation of the normative foundation to guide management activity in the South African public service. Other characteristics of the South African environment are persistent racial divisions, inequality and staggering unemployment.

The question that might be asked is how responsive the political set-up in South Africa is to the fostering of effective management of development. The answer to this issue can be formulated by evaluating the South African government's response to the environmental challenges in the country.

A very positive aspect in the political set-up of the South African society, that undoubtedly foster improvement in the quality of life of ordinary South Africans, is

the massive increase in the levels of *public participation* in the decision – and policy-making processes of the country. Contemporary involvement of the community by means of continuous and extensive road shows and open meetings with the community is a massive improvement on the traditional involvement in the form of party-political meeting during election campaigns and a formal speech at the opening (or launch) of one or the other project. Aggressive union activity, and the concept of rolling mass action have also fostered a culture of participation. However, on the negative side it is worth mentioning that a growing feeling of apathy can be detected, especially amongst the youth, and that the level of active participation in the political process is relatively low, and ever declining. The euphoria of the freedom struggle, and eventual victory over the oppressor have come and gone, in spite of active attempts on the side of the government to keep these feelings and emotions alive (mostly for party-political gain). These feelings have been replaced with despair in the face of ongoing unemployment and poverty.

The *structural* management capacity of the public sector to realise ambitious development progress has improved – although a move away from bureaucratic management structures will surely benefit this ability. The introduction of a performance management framework, multi-year planning and improved accountability measures have strengthened the ability of the South African public sector to facilitate effective development management.

However, aspects that will certainly impact negatively on the ability of the public sector to effectively management development initiatives are also numerous:

- A serious lack of financial management competency and expertise.
- The 'affirmative-action-at-all-cost' policy, where desperately needed expertise are often pro-actively chased away to make way for politically acceptable appointments. The same goes for indiscretional political appointments at high and senior organizational positions.

  These days just about all personnel-related matters in the public sector are based on 'representivity' - even personnel performance appraisals. If these

kind of appraisals do not reflect the racial composition of a the staff component of a department, the process is stopped for further investigation.

- Persistent racism – white public officials who, often unconsciously, still believe that black workers are inferior and their contribution less impressive. In some instances white public officials also hampers effective service delivery because they will still advantage whites at service delivery points.
- However, and this point the government denies flat-out: Black-on-white discrimination is also thriving. Newly appointed black managers often have very deep anti-white feelings, and are barely able to hide these preferences.
- Bureaucratic, organic organizational structures. Several of South Africa's service delivery agencies are still involved in a process of re-structuring seven years after the 1994 general election. More often than not this 'restructuring' refers to a state of structural mess – with meaningful service delivery a practical impossibility.

Service delivery in South Africa has been enhanced by renewed emphasis on quality management and a drive towards increased transparency and accountability. The formal structural framework for service delivery was improved by introducing various Service Delivery Charters and the White Paper on Transformation of Public Service Delivery. However, the official service delivery agencies are neglecting to properly implement these initiatives.

So, has South Africa managed to achieve sustainable development? There are two perceptions regarding the answer to this question. The one holds the view that, in spite of the sincere and honest efforts of government to take the plight of ordinary South Africans seriously during the policy-making process, is it still hard to conclude that the ideal of sustainable development has been realised in South Africa. A lot of houses have been built; the focus on clinical services has ensure that primary health care services are now more readily available to ordinary South Africans – yes; for example But, perhaps the most damaging reflection on the post-1994 government's performance in respect of development, come from the anti-apartheid veteran of so many years, Helen Suzman when she stated that "(w)hile I, like others, am greatly relieved that South Africa is rid of all the heinous

laws of the apartheid regime and immensely pleased at no longer being a citizen of a pariah country, my high hopes of a good performance by our new government have not been realised.

"Government has failed to deliver on its promise of 'a better life for all.' True, I, as a privileged white, continue to live at the same high standard, but equally true, the standard of living of the majority of blacks have deteriorated."

The proof of the pudding is in the eating. The ultimate test to determine whether or not development has realized, for the purposes of this study, was the question of whether or not there was an improvement in the quality of life of ordinary citizens.

The other viewpoint is best expressed by The Economist of 24 February 2001 at the end of a series of articles which aim was to analyse the state of affairs in South Africa seven years after the 1994 general elections. The author concluded that, "(w)hatever its shortcomings today, ... (South Africa) is a far happier place than it used to be, and a far happier place than it might have been. In time, it may yet fulfil the promise of the Mandela years."

Without change nothing is possible.
Not to change is a sure sign of imminent extinction.
Remember the dinosaurs!
Whether change is inevitable or not, it is inevitable.

John Harvey-Jones

Business writer and chairman of ICI

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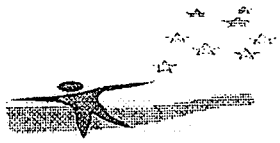
STATISTICAL OVERVIEW

Supplement to a dissertation submitted by

F. MINNAAR

To comply with the requirements for the degree
M. Admin. *(Faculty of Economic and Management Sciences, University of the Free State).*



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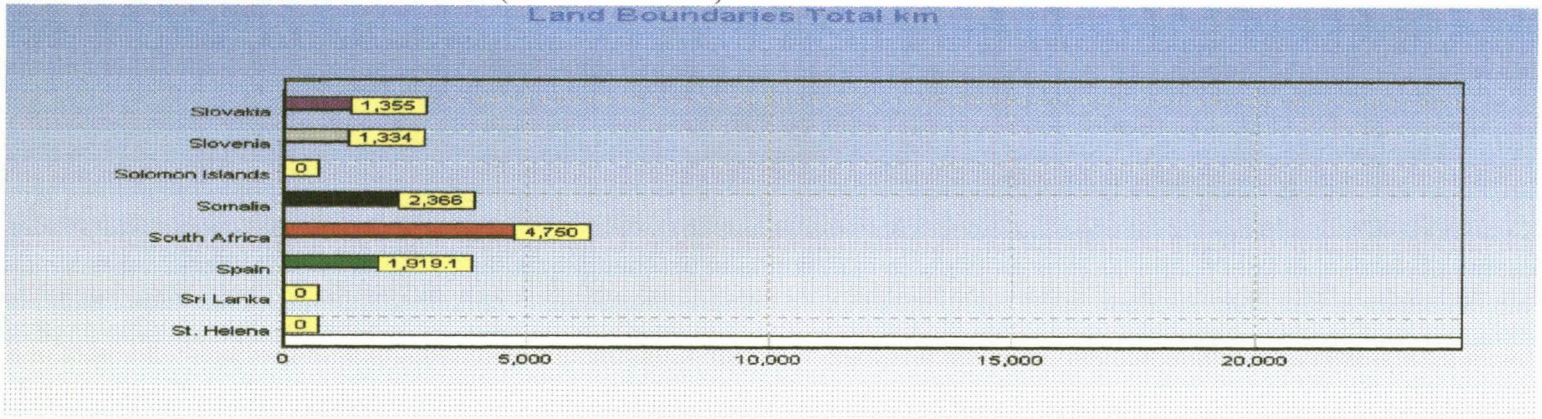
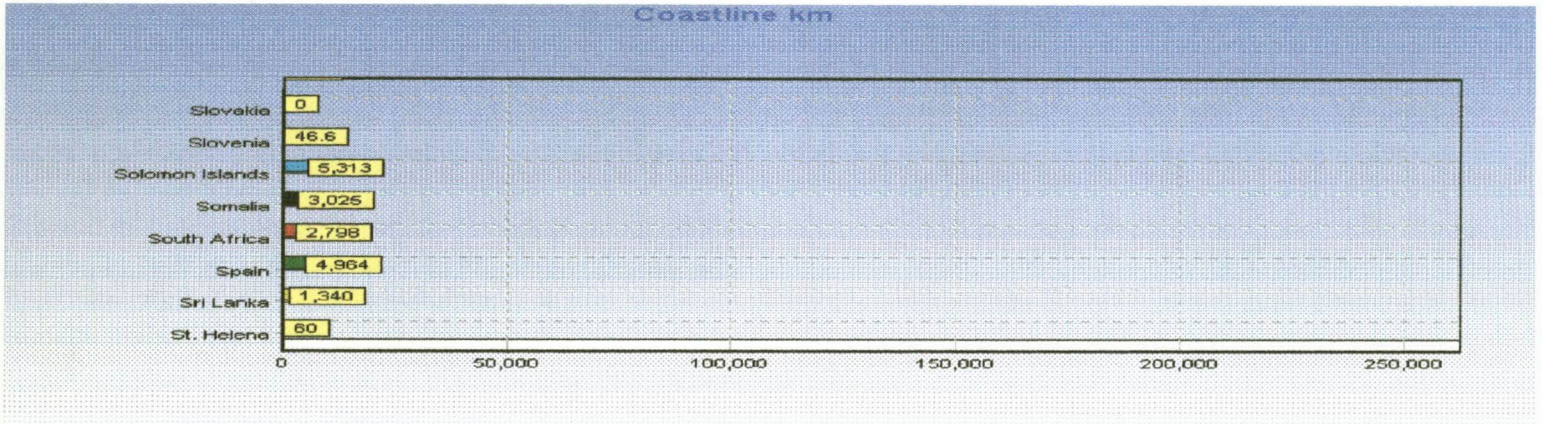
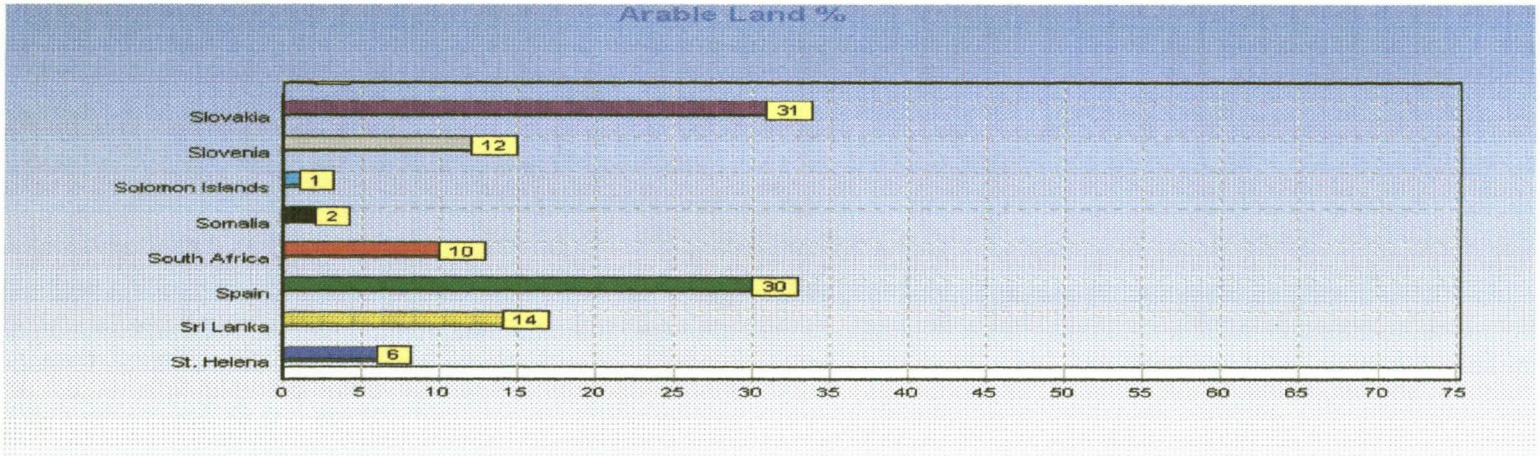
** Except where specifically mentioned otherwise, the charts presented in this Overview are a computerized translation of the base-data presented in the tables.*

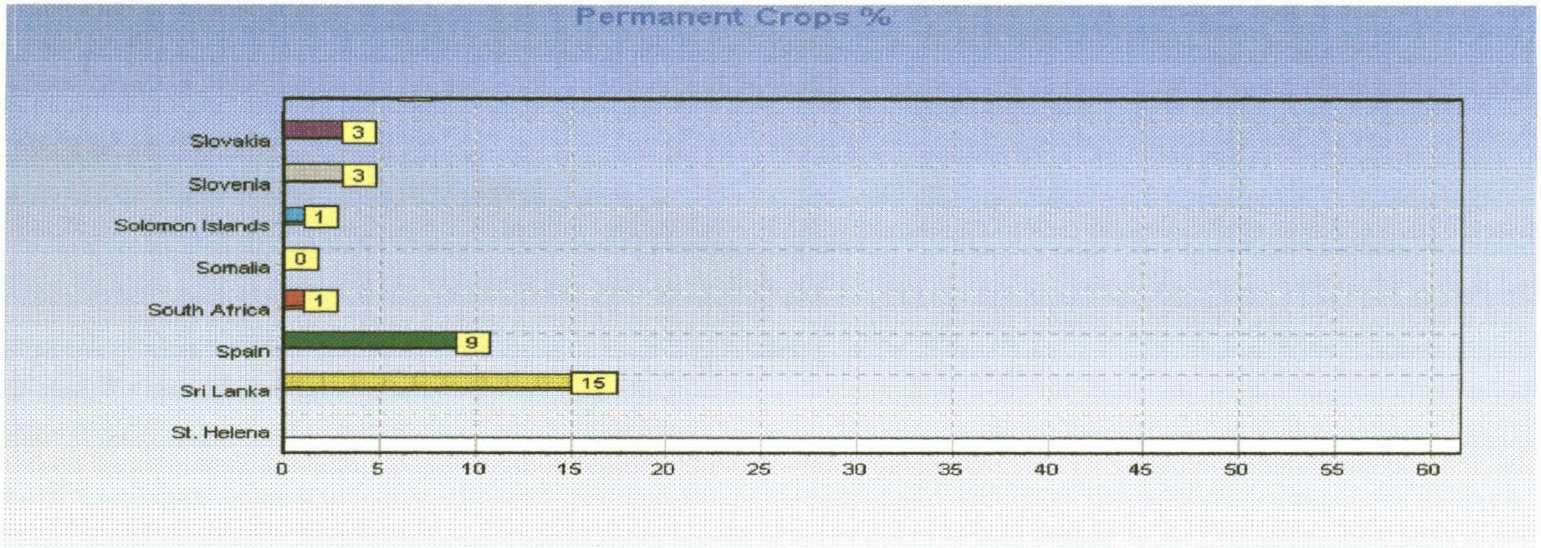
SCHEDULE I: PHYSICAL ENVIRONMENTAL IMPACT STATISTICS

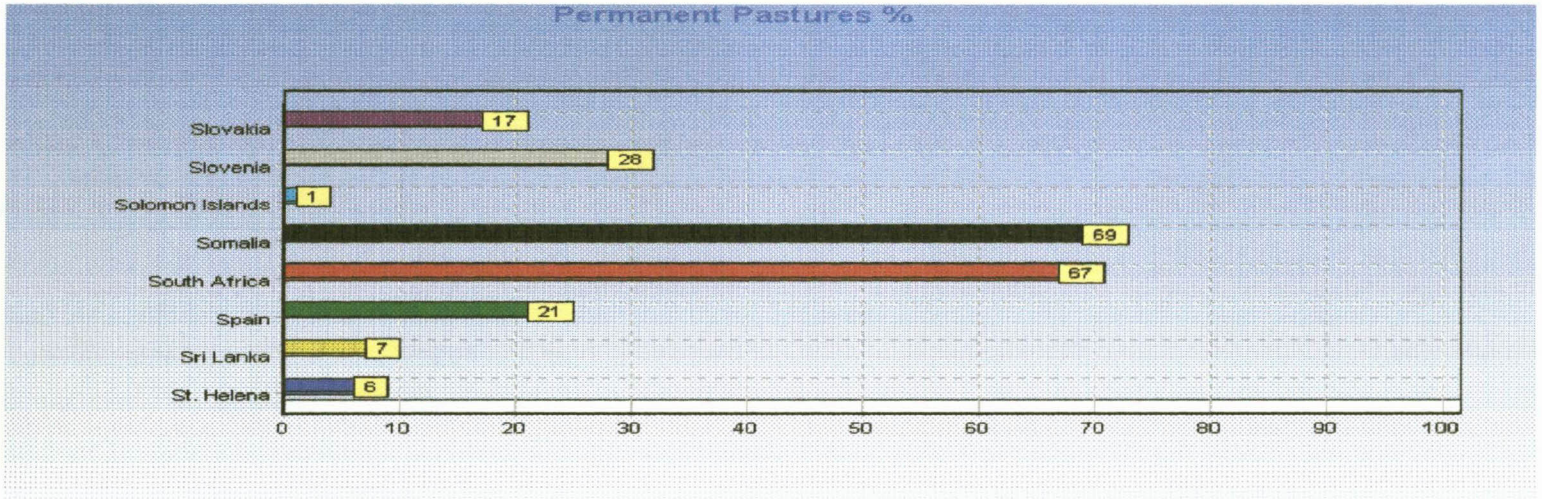
Source: 3D World Atlas and Almanac (CD-rom version)






Arable Land %
Slovakia
Slovenia
Solomon Islands
Somalia
South Africa
Spain
Sri Lanka
St. Helena
31
12
1
2
10
30
14
6
0
5
10
15
20
25
30
35
40
45
50
55
60
65
70
75


Permanent Crops %
Slovakia
Slovenia
Solomon Islands
Somalia
South Africa
Spain
Sri Lanka
St. Helena
3
3
1
0
1
9
15
0
5
10
15
20
25
30
35
40
45
50
55
60


Permanent Pastures %
Slovakia
Slovenia
Solomon Islands
Somalia
South Africa
Spain
Sri Lanka
St. Helena
17
28
1
69
67
21
7
6
0
10
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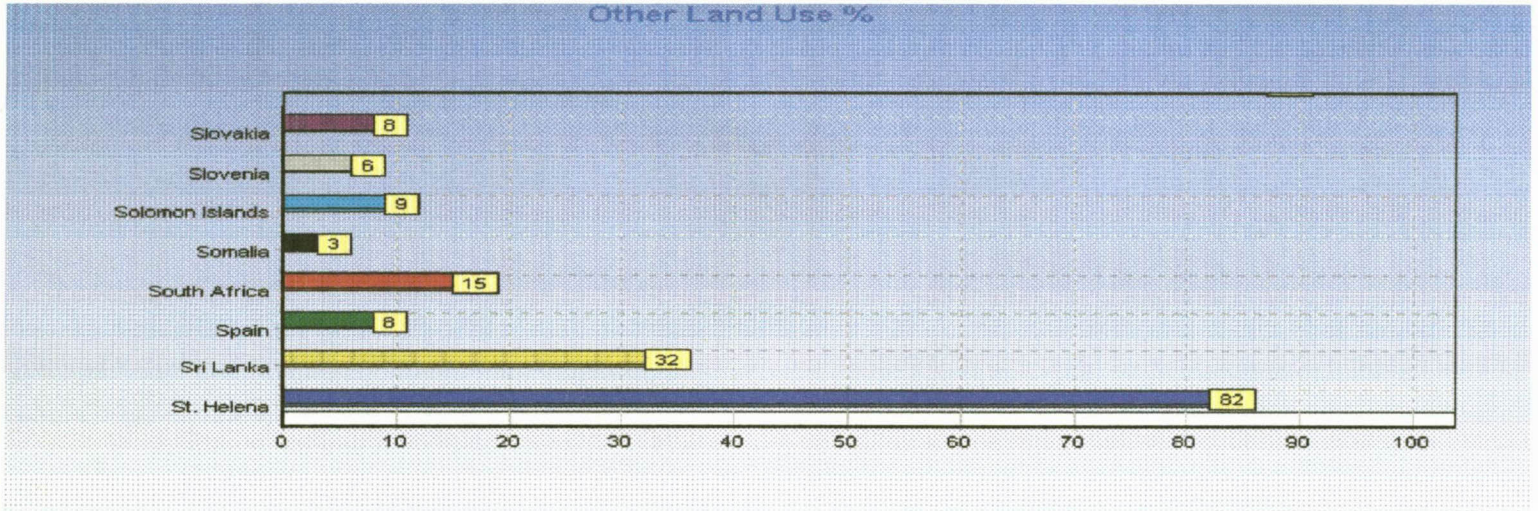
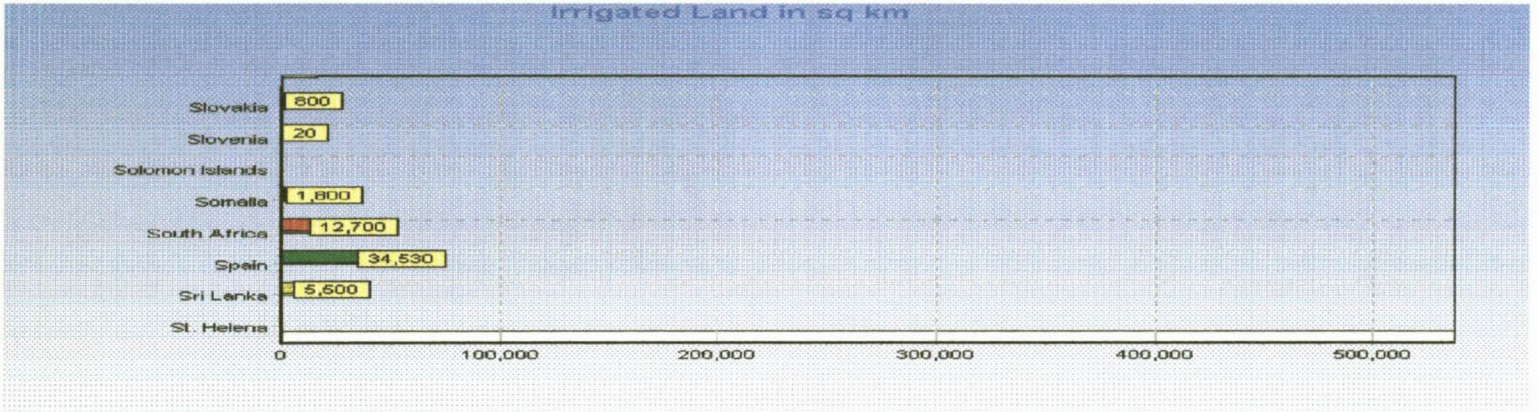
30
40
50
60
70
80
90
100

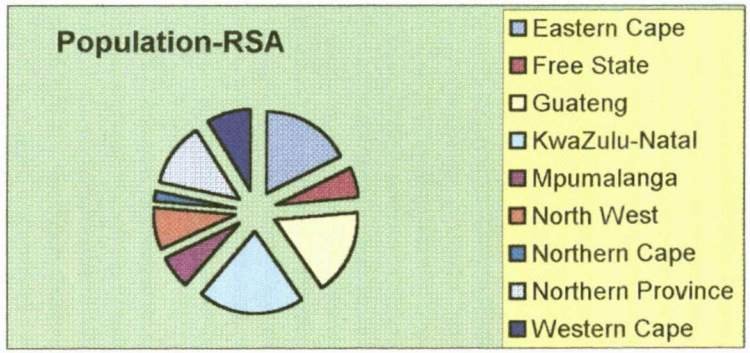

Other Land Use %
Slovakia
Slovenia
Solomon Islands
Somalia
South Africa
Spain
Sri Lanka
St. Helena
8
6
9
3
15
8
32
82
0
10
20
30
40
50
60
70
80
90
100


Irrigated Land in sq km
Slovakia
Slovenia
Solomon Islands
Somalia
South Africa
Spain
Sri Lanka
St. Helena
800
20
1,800
12,700
34,530
5,600
0
100,000
200,000
300,000
400,000
500,000

Schedule II
KEY DEMOGRAPHIC DATA

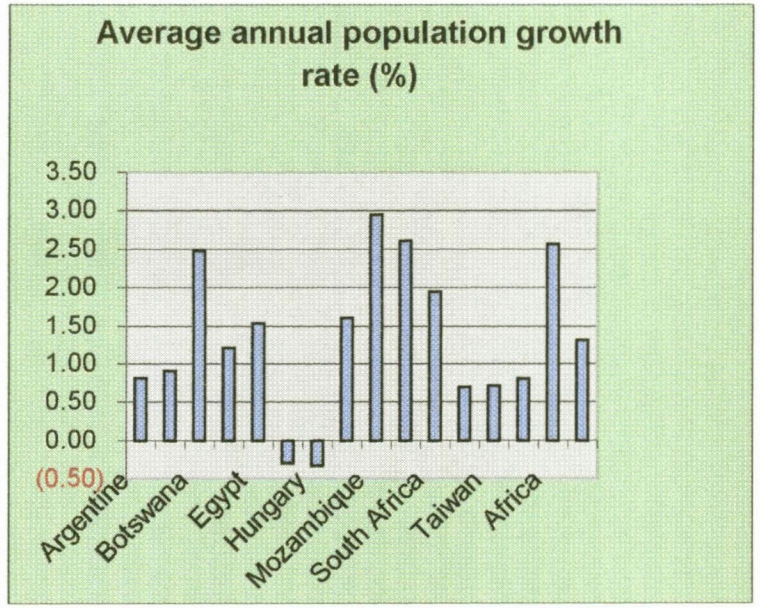
SUMMARY OF DEMOGRAPHIC DATA: Republic of South Africa														
Province	Population ('000)	%	Area	%	GGP (1994)	%	Languages						Illiteracy rate (%)	
							1st	%	2nd	%	3rd	%	(persons older than 20 years)	
	('000)	of total	('000)	of total	('000 000)	total		of users		of users		of users		
Western Cape	3,960	9.70	129,370	10.60	R 81,800.00	14.21	Afrikaans	59.2	English	20	IsiXhosa	19.1	6.7	
Eastern Cape	6,303	15.50	169,580	13.90	R 29,049.00	7.59	IsiXhosa	83.8	Afrikaans	9.6	English	3.7	20.9	
KwaZulu Natal	8,417	20.70	92,100	7.60	R 57,007.00	14.90	IsiZulu	80	English	16	Afrikaans	2	23	
Northern Cape	840	2.10	361,830	29.70	R 8,000.00	2.09	Afrikaans	69.3	Setswana	19.9	IsiXhosa	6.3		
Free State	2,634	6.50	129,480	10.60	R 23,688.00	6.19	Sesotho	62.1	Afrikaans	14.5	IsiXhosa	9.4	16	
North-West	3,355	8.30	116,320	9.50	R 21,252.00	5.56	Setswana	67.2	Afrikaans	7.5	IsiXhosa	5.4	22.7	
Guateng	7,350	18.10	17,010	1.40	R 144,359.00	37.73	IsiZulu	21.5	Afrikaans	16.7	English	13	9.5	
Mpumalanga	2,800	7.00	79,490	6.50	R 31,175.00	8.15	SiSwati	30	IsiZulu	25.4	IsiNdebele	12.5	29	
Northern Province	4,929	12.10	123,910	10.20	R 14,158.00	3.70	Sepedi	52.7	Xitsonga	23	Tshivenda	15.5		
	40,588		1,219,090		R 410,488.00									

POPULATION					
POPULATION SIZE					
Population size per province and race					
Province	African	Asian	Coloured	White	Total
Eastern Cape	6,719,944	17,831	540,187	392,539	7,670,501
Free State	2,270,375	878	74,387	377,044	2,722,684
Guateng	4,707,962	155,625	357,056	2,175,493	7,396,136
KwaZulu-Natal	7,518,342	805,491	138,147	609,468	9,071,448
Mpumalanga	2,599,374	11,518	16,649	299,053	2,926,594
North West	3,409,494	7,668	38,788	271,679	3,727,629
Northern Cape	242,602	1,859	403,812	129,125	777,398
Northern Province	5,511,439	5,380	7,084	137,905	5,661,808
Western Cape	759,991	29,430	2,150,122	929,697	3,869,240
	33,739,523	1,035,680	3,726,232	5,322,003	43,823,438



South African Survey, 1996/97 (1997: 7)

WORLD POPULATION TRENDS: 2000 - 2005				
Selective country	Average annual growth rate (%)	Infant mortality rate*	Life expectancy**(years)	Fertility rate***
Argentine	0.82	20.80	73.4	2.1
Australia	0.91	5.30	78.4	1.9
Botswana	2.48	26.80	68.8	3.6
Brazil	1.21	44.80	68.6	2.2
Egypt	1.54	36.40	65.7	2.9
Germany	(0.29)	4.80	77.7	1.3
Hungary	(0.33)	10.90	70.8	1.8
Malaysia	1.61	9.60	73.2	2.6
Mozambique	2.95	146.70	45.6	7.0
Nigeria	2.61	67.80	55.9	4.8
South Africa	1.95	39.40	66.9	3.3
South Korea	0.70	8.20	78.7	1.8
Taiwan	0.72	4.60	77.0	1.8
United States	0.81	6.30	79.2	2.1
Africa	2.57	78.90	55.8	5.0
World	1.31	49	68	3
* Number of deaths per 1 000 live births				
** Life expectancy at birth.				
*** Number of children born live to a woman of childbearing age.				



South African Survey, 1996/97 (1997: 10)

PROJECTED FERTICLITY RATE PER RACE: 1991 - 2026							
Population group	*1991-96*	*1996-2001*	*2001-2006*	*2006-2011*	*2011-2016*	*2016-2021*	*2021-2026*
African	4.00	3.69	3.38	3.06	2.75	2.44	2.13
Asian	2.16	2.05	1.94	1.83	1.72	1.61	1.50
Coloured	2.38	2.24	2.09	1.94	1.79	1.65	1.50
White	1.76	1.68	1.59	1.50	1.50	1.50	1.50
South Africa	3.49	3.27	3.03	2.79	2.55	2.30	2.03

South African Survey, 1996/97 (1997: 12)

PROJECTED FERTILITY PER PROVINCE: 1991 - 2026							
Province	*1991 - 96*	*1996 - 01*	*2001 - 06*	*2006 - 11*	*2011 - 16*	*2016 - 21*	*2021 - 26*
Eastern Cape	3.76	3.49	3.21	2.93	2.65	2.37	2.08
Free State	3.61	3.37	3.41	2.86	2.60	2.34	2.06
Gauteng	3.15	2.94	2.72	2.52	2.36	2.16	1.95
KwaZulu-Natal	3.61	3.39	3.13	2.87	2.61	2.34	2.06
Mpumalanga	3.72	3.46	3.20	2.93	2.66	2.38	2.09
North West	3.78	3.51	3.23	2.95	2.67	2.38	2.09
Northern Cape	2.76	3.58	2.40	2.23	2.09	1.92	1.73
Northern Province	3.92	3.63	3.33	3.03	2.73	2.42	2.12
Western Cape	2.50	2.35	3.20	2.06	1.93	1.79	1.63
South Africa	*3.49*	*3.27*	*3.03*	*2.79*	*2.55*	*2.30*	*2.03*

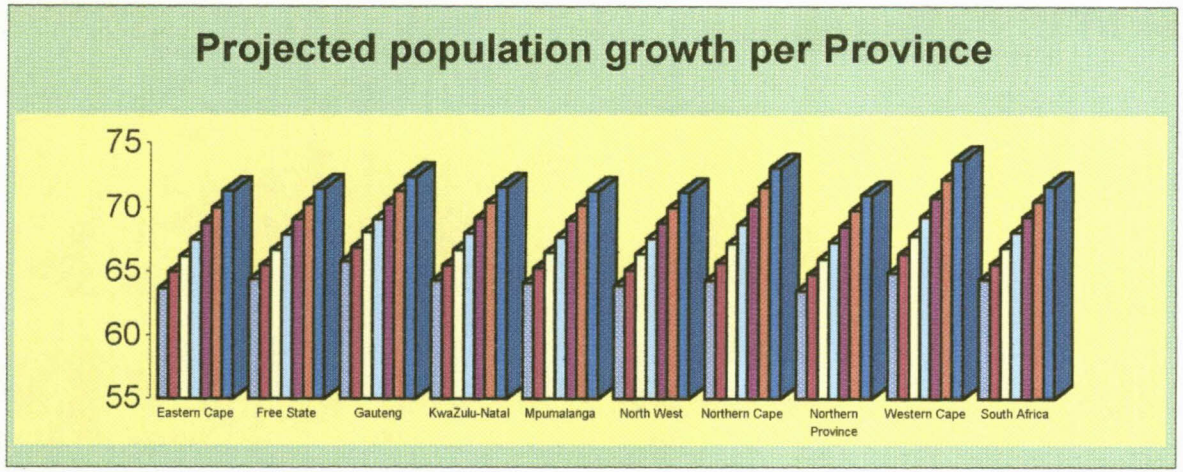
South African Survey, 1996/97 (1997: 13)

LIFE EXPECTANCY BY RACE AND SEX: 1991 - 2026							
Race and sex	*1991-96*	*1996-2001*	*2001-2006*	*2006-2011*	*2011-2016*	*2016-2021*	*2021-2026*
African							
Male	59.8	61.2	62.5	63.9	65.3	66.6	68
Female	66.8	68	69.2	70.4	71.6	72.8	74
Average	63.2	64.5	65.8	62.4	68.4	69.6	70.9
Asian							
Male	65.3	66.7	68.2	69.6	73.1	72.5	74
Female	72.5	73.7	75	76.2	77.5	78.7	80
Average	68.8	70.2	71.5	72.8	74.2	75.6	76.9
Coloured							
Male	58.5	60.6	62.7	64.7	66.8	68.9	71
Female	66.7	68.4	70.1	71.8	73.6	75.3	77
Average	62.5	64.4	66.3	68.2	70.1	72	73.9
White							
Male	69.5	70.3	71	71.8	72.5	73.3	74
Female	76.6	77.2	77.8	78.3	78.8	79.4	80
Average	73	73.6	74.3	75	75.6	76.3	76.9
South Africa							
Male	60.9	62.2	63.5	64.8	66.1	67.4	68.8
Female	68	69.2	70.3	71.5	72.6	73.7	74.8
Average	64.4	65.6	66.9	68.1	69.3	70.5	71.7

South African Survey, 1996/97 (1997: 14)

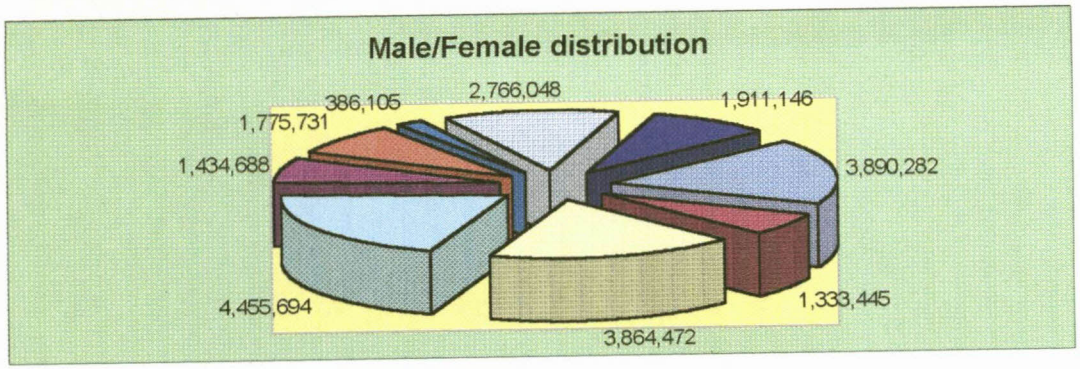
LIFE EXPECTANCY BY PROVINCE: 1991 - 2026							
Province	*1991 - 96 (Years)*	*1996 - 2000 (Years)*	*2001 - 06 (Years)*	*2006 - 11 (Years)*	*2011 - 16 (Years)*	*2016 - 21 (Years)*	*2021 - 26 (Years)*
Eastern Cape	63.7	65	66.2	67.5	68.8	70	71.3
Free State	64.4	65.5	66.7	67.9	69.1	70.3	71.5
Gauteng	65.8	66.9	68.1	69.1	70.3	71.3	72.4
KwaZulu-Natal	64.3	65.5	66.7	68	69.2	70.4	71.6
Mpumalanga	64.1	65.3	66.5	67.7	69	70.2	71.3
North West	63.9	65.1	66.4	67.6	68.8	70	71.2
Northern Cape	64.3	65.7	67.2	68.7	70.2	71.6	73.1
Northern Province	63.5	64.8	66	67.3	68.5	69.8	71
Western Cape	64.9	66.4	67.8	69.3	70.8	72.2	73.7
South Africa	64.4	65.6	66.9	68.1	69.3	70.5	71.7

South African Survey, 1996/97 (1997: 15)

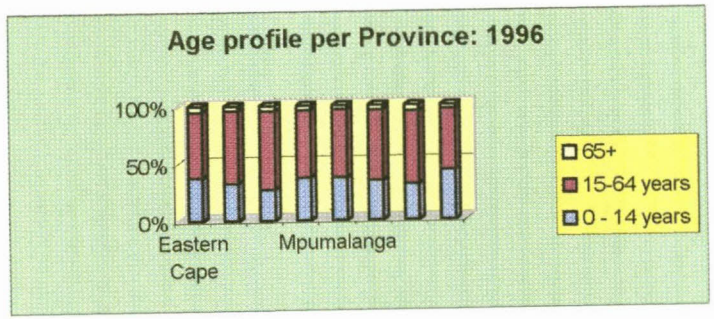


MALE / FEMALE DISTRIBUTION IN SOUTH AFRICA:1995						
Province	*Male*	*Proportion (%)*	*Female*	*Proportion (%)*	*Majority*	*Total*
Eastern Cape	3,890,282	50.7	3,777,221	49.3	113061(M)	7,667,503
Free State	1,333,445	49	1,389,241	51	55796(F)	2,722,686
Gauteng	3,864,472	52.2	3,531,664	47.8	332808(M)	7,396,136
KwaZulu-Natal	4,455,694	49.1	4,615,753	50.9	160059(F)	9,071,447
Mpumalanga	1,434,688	49	1,491,998	51	57220(F)	2,926,686
North West	1,775,731	47.6	1,951,896	52.4	176165(F)	3,727,627
Northern Cape	386,105	49.7	391,294	50.3	5189(F)	777,399
Northern Province	2,766,048	48.9	2,895,762	51.1	129714(F)	5,661,810
Western Cape	1,911,146	49.4	1,958,094	50.6	46948(F)	3,869,240
South Africa	21,817,611	49.8	22,002,923	50.2	185222(F)	43,820,534

South Africa Survey, 1996/97 (1997: 21)



AGE PROFILE PER PROVINCE: 1996			
Province	*0 - 14 years*	*15-64 years*	*65+*
Eastern Cape	37.90	56.80	5.30
Free State	32.80	63.20	4.00
Gauteng	27.00	68.20	4.80
KwaZulu-Natal	37.10	58.70	4.20
Mpumalanga	37.00	59.60	3.40
North West	34.60	61.30	4.10
Northern Cape	31.10	63.90	5.00
Northern Province	43.10	53.20	3.70
Western Cape	28.30	66.20	5.50



South Africa Survey, 1996/97 (1997: 26)

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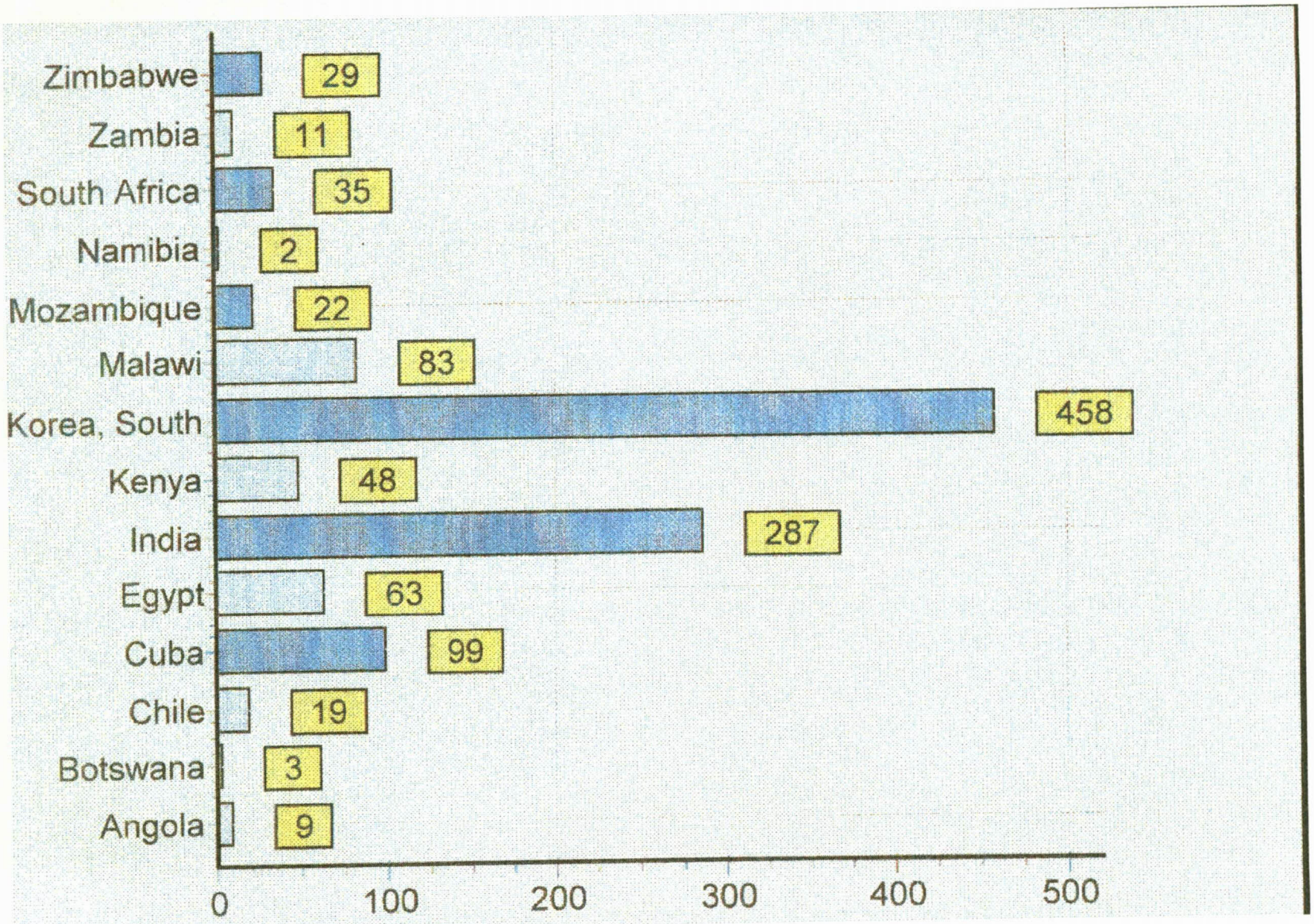
URBANISATION

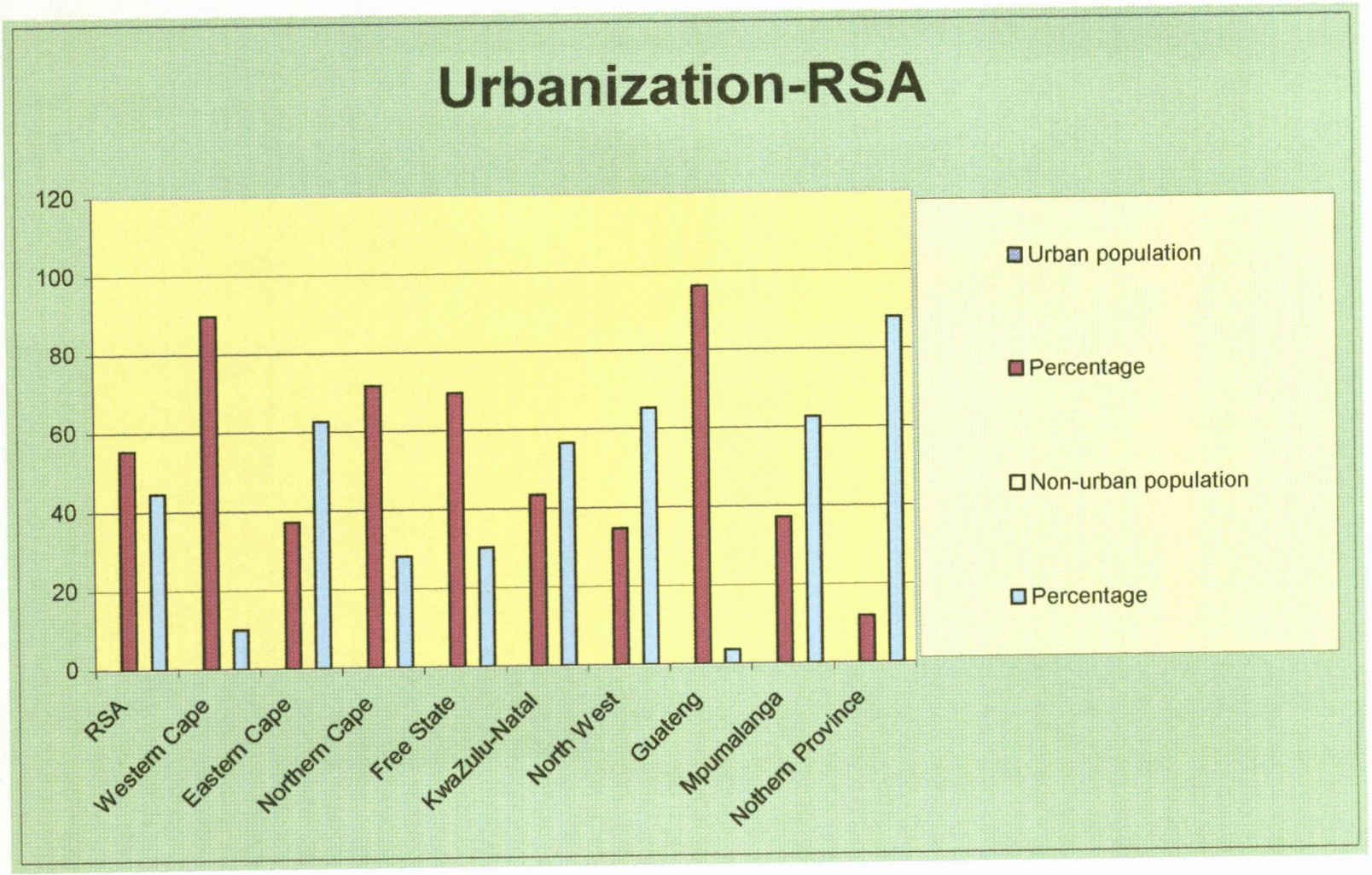


Source: Hutchinson Educational Encyclopedia

SCHEDULE III
URBANIZATION

PRELIMINARY ESTIMATES OF URBAN AND NON-URBAN POPULATION BY PROVINCE (%)										
Description	Republic of South Africa	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Guateng	Mpumalanga	Nothern Province
Urban population										
Percentage	55.4	89.9	37.3	71.7	69.6	43.5	34.8	96.4	37.3	11.9
Non-urban population										
Percentage	44.6	10.1	62.7	28.3	30.4	56.5	65.2	3.6	62.7	88.1

Republic of South Africa; Statistics in brief (1997: 36)


Urbanization-RSA
120
100
80
60
40
20
0
RSA
Western Cape
Eastern Cape
Northern Cape
Free State
KwaZulu-Natal
North West
Guateng
Mpumalanga
Nothern Province
Urban population
Percentage
Non-urban population
Percentage

SCHEDULE IV
STATISTICAL OVERVIEW ON HOUSING IN SOUTH AFRICA

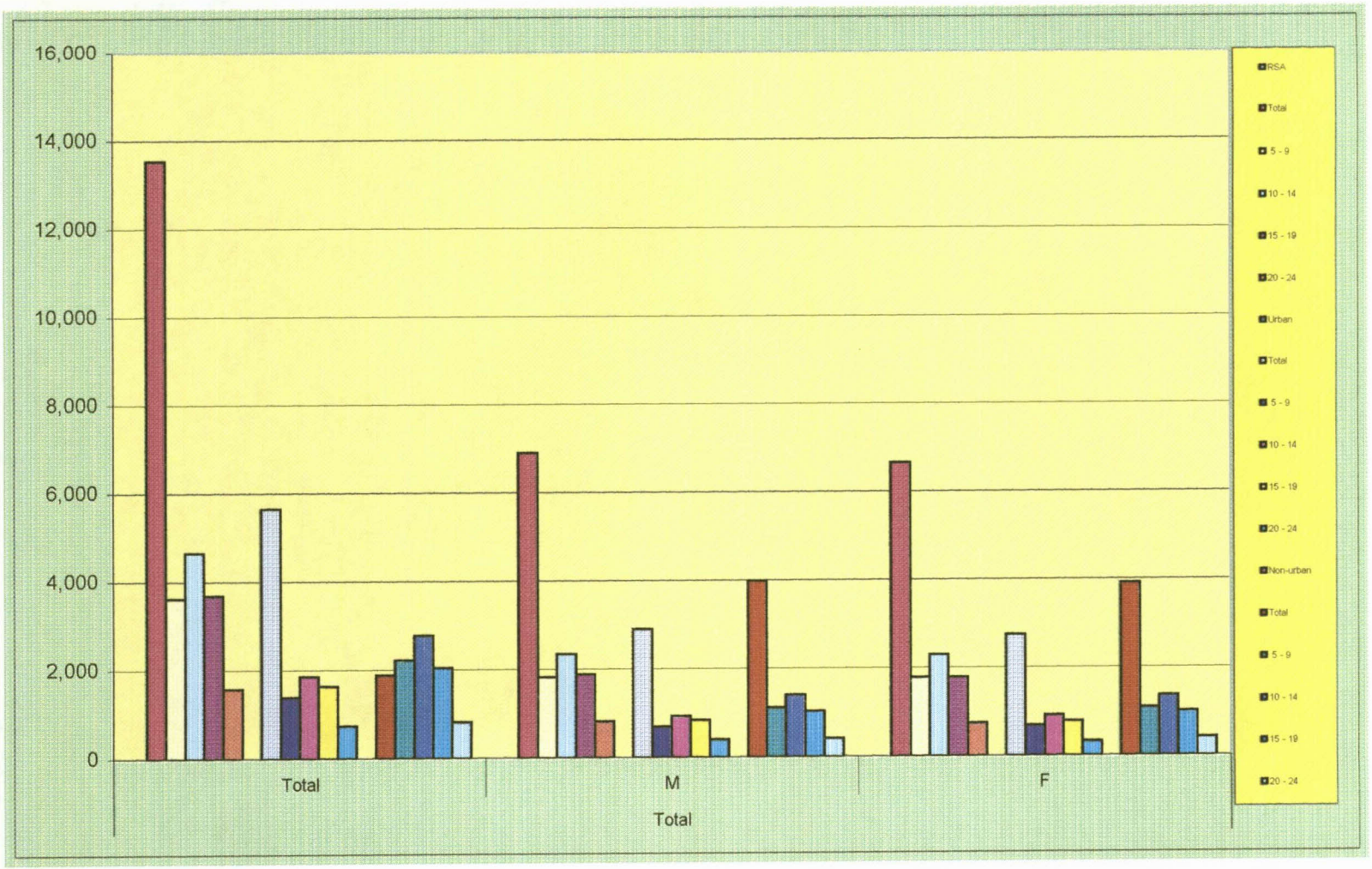
Republic of South Africa: Statistics in brief, 1997 (1997: 5.1 – 5.3)

HOUSING INDICATORS PER PROVINCE (VALUE)										
	RSA	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu Natal	North West	Guateng	Mpumalanga	Northern Province
Approved formal residential building plans financed by the private sector										
	10,005,675	2,322,777	561,290	165,088	310,957	1,357,094	524,423	3,962,214	470,234	322,598
Exected capital expenditure by the public sector on formal residential buildings										
	768,521	223,501	70,944	74,958	143,653	58,852	37,081	138,347	11,249	9,926
Formal residential buildings completed by the private sector										
Total	***6,384,672***	***1,401,839***	***339,780***	***104,705***	***146,669***	***976,882***	***290,657***	***2,609,929***	***288,168***	***226,122***
Dwelling houses	4,171,510	1,054,993	282,220	81,578	96,254	580,412	205,925	1,481,080	217,350	171,700
Flats	557,231	159,254	8,515	0	4,024	181,983	537	192,319	4,060	6,537
Townhouses	1,551,690	177,947	49,026	23,129	44,685	201,474	36,403	906,546	66,032	46,468

HOUSING INDICATORS BY PROVINCE (NUMBER)										
	RSA	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu Natal	North West	Guateng	Mpumalanga	Northern Province
Approved formal residential building plans financed by the private sector										
	81,452	18,460	5,873	1,313	3,524	10,775	5,950	28,734	3,892	2,931
Formal residential buildings completed by the private sector										
Total	**53,818**	**13,294**	**4,026**	**1,098**	**1,498**	**7,715**	**2,889**	**16,388**	**2,533**	**2,387**
Dwelling-houses	34,925	9,263	3,132	925	1,238	4,985	2,487	9,185	1,844	1,866
Flats (units)	5,895	2,455	173	0	71	1,249	4	1,813	54	76
Townhouses (units)	12,998	1,566	721	173	189	1,481	398	7,390	635	445

DISTRIBUTION OF SERVICES USED BY HOUSEHOLDS (%)					
Main source of domestic water	**Total**	**Africans**	**Colourds**	**Indians**	**Whites**
Running tap-water in dwelling	51.4	32.7	72.2	96.8	96.9
Running tap-water on site	20.2	27.3	20.0	1.2	0.3
Tap-water from communal tap	11.1	15.6	4.7	0.7	0.4

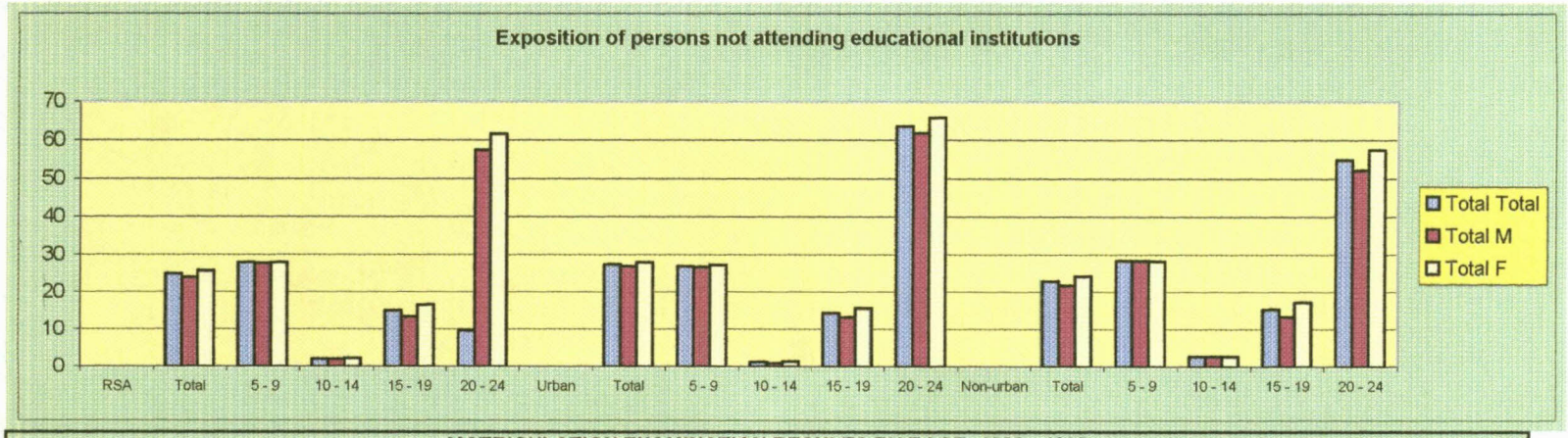
Borehole / well	7.1	9.6	0.9	0.0	2.0
River / dam / spring	9.8	14.0	1.9	0.0	0.4
Other	0.5	0.7	0.2	0.0	0.0
Main energy source for cooking					
	Total	**Africans**	**Colourds**	**Indians**	**Whites**
Electricity	58.3	42.1	74.9	98.3	98.2
Gas	3.5	4.2	4.9	0.8	1.2
Paraffin	13.3	18.9	5.6	0.3	0.1
Wood	22.2	31.0	14.3	0.4	0.3
Coal	0.5	3.0	0.3	0.1	0.2
Other	1.0	0.7	0.0	0.0	0.0
Main energy source for heating					
	Total	**Africans**	**Colourds**	**Indians**	**Whites**
Electricity	56.8	40.3	72.5	97.7	97.4
Gas	1.4	1.6	1.6	0.3	1.1
Paraffin	11.8	16.4	5.1	0.4	0.2
Wood	23.8	32.7	17.5	0.7	0.7
Coal	3.7	5.3	0.8	0.9	0.1
Other	0.6	0.9	0.0	0.0	0.0
No heating	2.10	2.70	2.30	0.10	0.30
Main energy source for light					
	Total	**Africans**	**Colourds**	**Indians**	**Whites**
Electricity	65.50	51.10	85.00	98.90	99.70
Gas	0.80	1.10	0.80	0.20	0.10
Paraffin	12.40	17.90	4.10	0.50	0.00
Candles	21.20	30.00	10.10	0.40	0.10
Other	0.00	0.00	0.00	0.00	0.00
Sanitation					
	Total	**Africans**	**Colourds**	**Indians**	**Whites**
Flsuh / chemical toilet	59.70	41.50	88.50	97.80	99.80
Latrine with bucket system	4.90	6.00	9.80	0.00	0.00


16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Total
M
F
Total
RSA
Total
5 - 9
10 - 14
15 - 19
20 - 24
Urban
Total
5 - 9
10 - 14
15 - 19
20 - 24
Non-urban
Total
5 - 9
10 - 14
15 - 19
20 - 24

PERSONS (5 - 24 YEARS) NOT ATTENDING SCHOOL / COLLEGE / UNIVERSITY / TECHNICKON AS A PERCENTAGE OF TOTAL PERSONS IN AGE GROUP

Age group	Total			Africans			Coloureds			Indians			Whites			
	Total	M	F	T	M	F	T	M	F	T	M	F	T	M	F	
RSA																
Total	**24.9**	**24.0**	**25.8**	**22.7**	**21.7**	**23.7**	**37.3**	**38.5**	**38.0**	**31.1**	**31.1**	**31.1**	**31.3**	**30.6**	**32.1**	
5 - 9	27.9	27.8	27.9	27.8	27.7	27.9	28.9	27.0	30.8	21.8	22.8	20.7	29.1	31.3	26.8	
10 - 14	2.2	2.1	2.3	2.4	2.3	2.5	2.7	2.9	2.4	0.3	0.0	0.6	0.2	0.1	0.4	
15 - 19	15.1	13.4	16.6	13.4	11.6	15.3	28.2	27.6	28.7	24.3	23.6	24.9	14.3	13.5	15.2	
20 - 24	9.7	57.6	61.7	52.8	50.6	54.9	89.5	89.1	89.9	79.0	78.9	79.1	76.3	72.4	79.9	
Urban																
Total	**27.4**	**26.9**	**28.0**	**23.8**	**23.4**	**24.2**	**35.3**	**34.3**	**36.3**	**30.9**	**31.3**	**30.5**	**31.2**	**30.5**	**32.0**	
5 - 9	27.0	26.7	27.3	26.8	26.4	27.3	27.2	25.0	29.3	21.5	22.3	20.8	29.0	30.9	27.0	
10 - 14	1.3	1.0	1.5	1.5	1.2	1.8	2.0	2.0	2.0	0.3	0.0	0.6	0.2	0.0	0.4	
15 - 19	14.5	13.3	15.8	11.3	9.8	12.9	24.4	23.5	25.3	23.6	23.4	23.6	13.8	13.1	14.5	
20 - 24	63.6	61.9	65.9	52.1	50.9	53.6	68.8	88.7	88.9	78.5	78.8	78.2	76.0	73.0	79.1	
Non-urban																
Total	**23.0**	**21.7**	**24.2**	**22.2**	**20.9**	**23.5**	**47.5**	**47.8**	**57.2**	**35.9**	**28.5**	**44.7**	**32.6**	**32.2**	**33.2**	
5 - 9	28.4	28.5	28.3	28.2	28.2	28.1	37.0	36.4	37.6	27.7	35.1	17.3	30.5	35.8	25.0	
10 - 14	2.8	2.8	2.8	2.8	2.8	2.8	6.3	7.5	5.0	0.0	0.0	0.0	0.3	0.6	0.0	
15 - 19	15.4	13.4	17.3	14.5	12.4	16.4	50.9	52.0	49.9	38.4	29.0	46.8	20.9	18.3	24.4	
20 - 24	55.1	52.4	57.5	53.2	50.3	55.7	92.9	90.9	95.1	90.9	82.7	96.8	79.2	69.5	94.5	

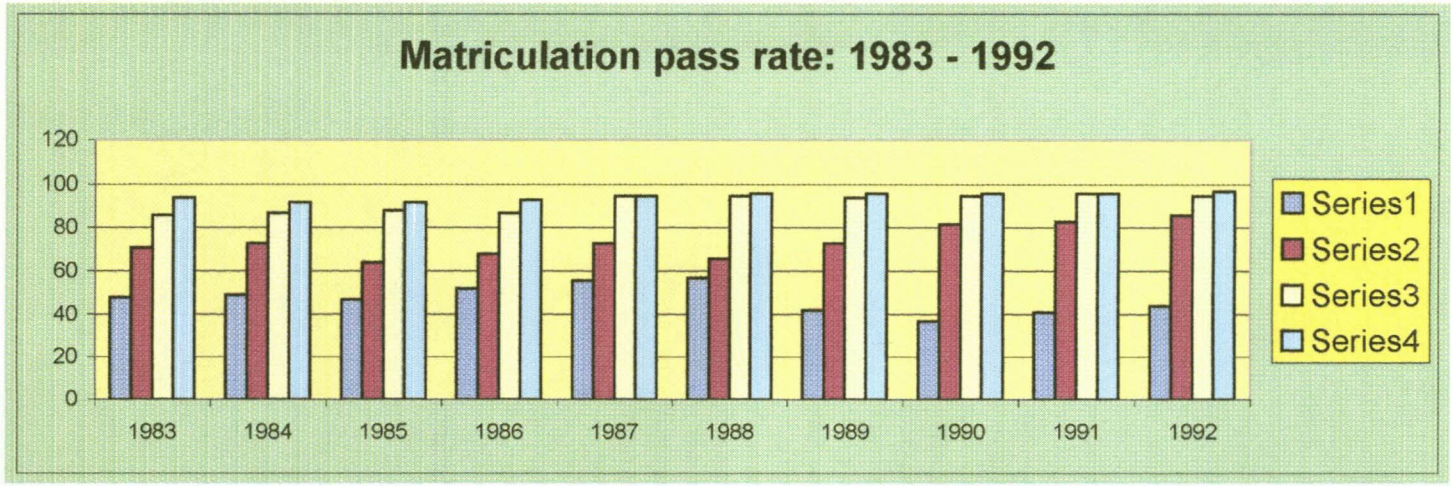
Republic of South Africa: Statistics in brief, 1997 (1997:6.4)



MATRICULATION EXAMINATION RESULTS BY RACE: 1983 - 1992

Year	African			Coloured			Indians			Whites			Total		
	Candidates	Pass (%)	Matric exemption (%)	Candidates	Pass (%)	Matric exemption (%)	Candidates	Pass (%)	Matric exemption (%)	Candidates	Pass (%)	Matric exemption (%)	Candidates	Pass (%)	Matric exemption (%)
1983	82,449	48	10	11,076	71	15	7,403	86	42	53,317	94	46	154,245	68	24
1984	86,191	49	11	14,138	73	15	20,508	87	34	57,005	92	45	167,842	68	24
1985	82,815	47	12	11,052	64	12	11,109	88	32	59,991	92	44	164,967	67	25
1986	100,012	52	13	17,624	68	15	11,406	87	33	64,327	93	44	193,369	69	25
1987	150,119	56	16	18,289	73	19	12,429	95	43	64,672	95	43	245,509	70	25
1988	187,123	57	16	21,456	66	16	13,221	95	41	69,549	96	42	291,349	69	24
1989	209,319	42	10	22,666	73	18	14,191	94	41	70,666	96	42	316,842	58	19
1990	255,498	37	8	22,315	82	21	14,542	95	45	68,097	96	41	360,452	43	17
1991	304,315	41	11	22,405	83	22	14,258	96	50	67,490	96	41	408,468	54	18
1992	342,038	44	10	24,419	86	21	14,485	95	49	67,549	97	41	448,491	56	17

South African Survey, 1996/97 (1997: 16)



UNIVERSITIES AND TECHNIKONS BY PROVINCE								
Province	Universities				Technikons			
	Number	Number of students			Number	Number of students		
		T	M	F		T	M	F
Total	**21**	**382,348**	**178,252**	**204,096**	**15**	**191,440**	**119,190**	**72,250**
Residential								
Western Cape	3	43,984	23,210	20,774	2	17,928	10,474	7,454
Eastern Cape	4	22,953	10,213	12,740	3	13,928	7,473	6,455
Northen Cape	0	0	0	0	0	0	0	0
Free State	1	9,383	4,716	4,667	1	6,412	3,390	3,022
KwaZulu Natal	3	32,902	15,473	17,429	3	20,871	11,755	9,116
North West	2	16,335	7,462	8,873	1	2,524	879	1,645
Guateng	4	66,546	33,024	33,522	3	37,711	22,040	15,671
Mpumalanga	0	0	0	0	0	0	0	0
Northern Province	2	24,220	11,432	12,788	1	8,589	4,954	3,635
Non-residential: Guateng	2	166,025	72,722	93,303	1	83,477	58,225	25,252

Note:

Number of students of atellite campuses in other provinces are included in main campus

Republic of South Africa: Statistics in brief, 1997 (1997:6.7)

ADULT LITERACY RATE BY PROVINCE (%)

Year	RSA	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu Natal	North West	Guateng	Mpumalanga	Northern Province
Y 1980	74.43	89.97	71.19	72.51	74.30	71.09	67.31	87.61	61.61	56.96
Y 1991	82.16	94.57	72.34	79.83	84.42	84.26	69.46	92.61	75.48	73.64

ADULT LITERACY RATE BY POPULATION GROUP (%)

Year	RSA	Africans	Coloureds	Indians	Whites
Y 1980	74.43	66.03	84.05	91.84	98.9
Y 1991	82.18	76.84	91.06	95.48	99.52

Republic of South Africa: Statistics in brief, 1997 (1997:7.1 – 7.2)

COMPLAINTS LAID AGAINST SERVING SAPS MEMBERS: JAN. 1997 – MAY 26 1998

NATURE OF COMPLAINTS	CATEGORY	TOTAL COMPLAINTS	NATURE OF COMPLAINTS	CATEGORY	TOTAL COMPLAINTS
Abduction	Serious	13	Pooching	Minor	16
Armed robbery	Serious	195	Pointing of a firearm	Minor	1 057
Assault	Minor	5 217	Poor investigation	Minor	21
Assault (grievous bodily harm)	Serious	2 046	Possession of counterfeit money	Minor	4
Assisting a prisoner to escape	Serious	340	Possession of unlicensed firearms	Minor	66
Attempting sodomy	Serious	3	Possession of stolen property	Serious	50
Attempted murder	Serious	797	Possession of stolen vehicle	Serious	32
Attempted rape	Serious	61	Public violence	Serious	8
Bribery	Minor	36	Rape	Serious	149
Corruption	Serious	306	Reckless/negligent driving	Minor	4 168
Defeating the course of justice	Minor	181	Refuse to divulge identity	Minor	1
Desertion	Minor	115	Resisting arrest	Minor	35
Driving while under the influence of alcohol	Serious	495	Robbery	Serious	171
Escape from custody	Minor	58	Sexual harassment	Minor	6
Extortion	Serious	30	Sexual intercourse with a minor	Minor	2
Family violence	Common	11	Shoplifting	Serious	25
Fraud	Serious	291	Sodomy	Serious	1
Handling a firearm while under the influence of alcohol	Minor	162	Taking a prisoner out of prison without the necessary authority	Minor	1
Housebreaking and theft	Serious	159	Theft	Serious	1 550
Indecent assault	Serious	52	Theft of a firearm	Serious	101
Malicious damage to property	Minor	613	Theft of a motor vehicle	Serious	130
Murder	Serious	332	Theft out of a motor vehicle	Serious	61
Negligent loss of a firearm	Minor	483	Traffic offence	Minor	40
Operating of a brothel	Minor	16	Unlawful trespassing	Minor	21
		36	Use of a vehicle without permission	Minor	235

Mail and guardian, 1998: 8

SCHEDULE VI
COMPARATIVE STATISTICS ON CRIME

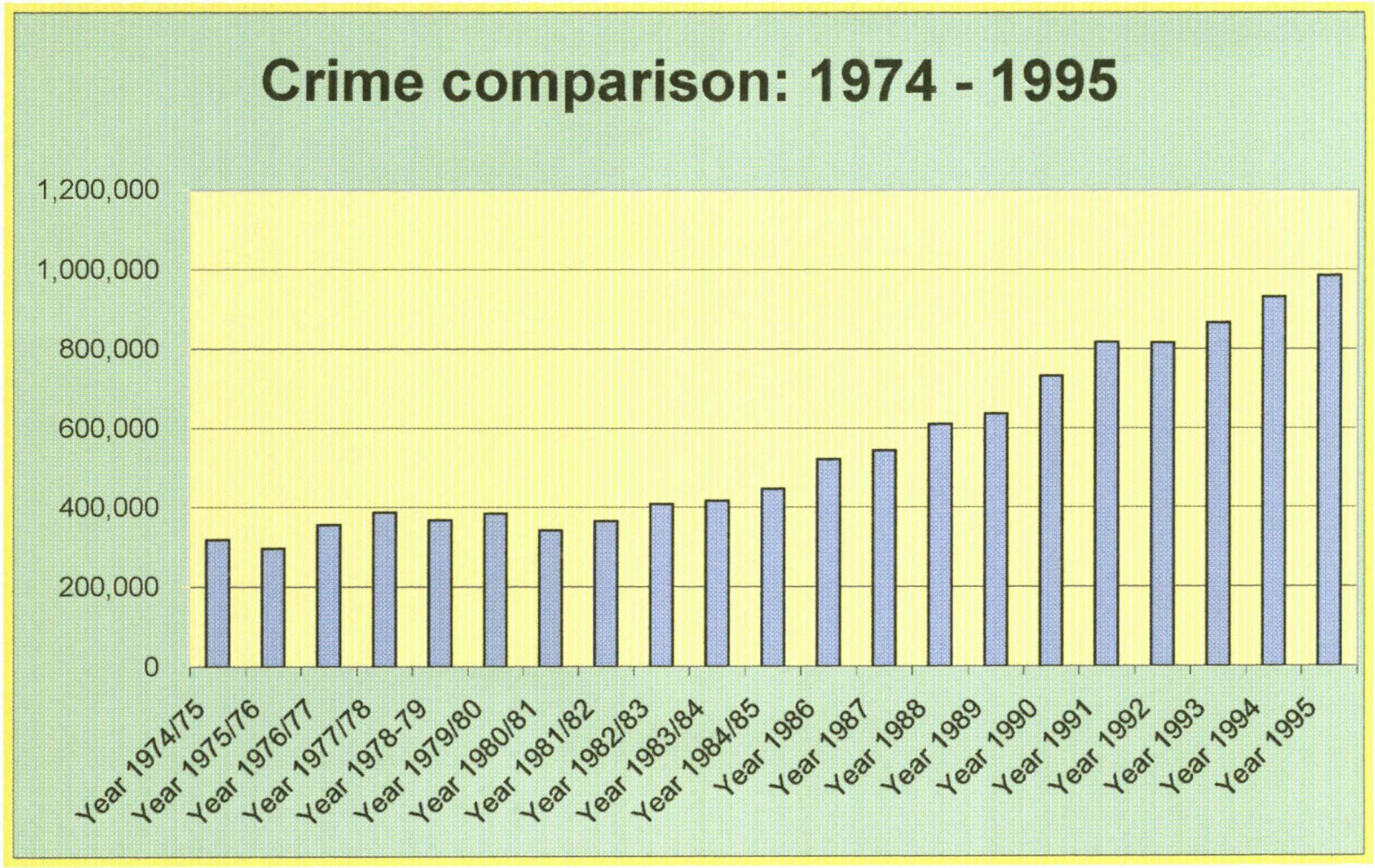
REPORTED CRIMES IN SOUTH AFRICA: 1974 - 1995													
	Crimes to the person				Crimes to property				Other reported crimes				
Year	Assaults	Murder	Rape	Robbery	Theft of motor vehicle	Theft out of or from motor vehicles	House-breaking	Shoplifting	Arson	Contravention of the explosive Act	Illegal possession of arms or ammunition	Public violence	Total
Year 1974/75	138,586	8,662	14,815	37,896	26,092	0	90,842	0	0	0	1,498	375	318,766
Year 1975/76	135,705	6,000	15,394	38,981	31,534	0	67,747	0	0	0	1,651	193	297,205
Year 1976/77	135,397	7,560	15,109	44,141	36,900	0	110,733	0	0	0	5,043	1,074	355,957
Year 1977/78	127,735	5,959	15,175	43,884	38,323	0	124,307	0	0	0	31,364	884	387,631
Year 1978-79	127,659	6,913	15,263	42,686	38,716	0	132,966	0	0	0	4,751	172	369,126
Year 1979/80	134,682	8,356	16,149	45,442	39,854	0	135,074	0	0	0	5,389	600	385,546
Year 1980/81	123,310	7,434	15,318	39,816	36,558	0	120,194	0	0	0	0	0	342,630
Year 1981/82	119,898	8,084	15,535	38,626	44,483	0	139,273	0	0	0	0	0	365,899
Year 1982/83	121,736	8,573	15,432	38,229	44,771	0	148,766	26,224	0	803	3,852	317	408,703
Year 1983/84	125,002	9,462	15,785	37,755	44,372	0	153,440	27,245	0	168	3,871	0	417,100
Year 1984/85	123,100	8,959	16,085	39,302	48,584	0	166,812	31,450	4,724	206	3,650	4,408	447,280
Year 1986	109,755	9,913	15,816	48,533	67,008	0	212,922	38,053	5,576	424	5,192	8,156	521,348
Year 1987	120,779	9,800	18,145	46,288	59,936	0	235,963	40,833	4,466	305	5,409	1,973	543,897
Year 1988	125,578	10,631	19,368	45,847	57,851	116,813	182,754	40,477	4,882	280	4,696	1,368	610,545
Year 1989	128,887	11,750	20,458	50,636	58,298	122,385	187,946	41,601	5,563	208	5,059	3,173	635,964
Year 1990	124,020	15,109	20,321	61,132	68,649	149,606	225,158	48,935	7,178	327	7,322	4,756	732,513
Year 1991	129,626	14,693	22,761	68,936	71,120	160,179	260,661	51,658	23,920	378	9,706	3,402	817,040
Year 1992	136,322	16,967	24,360	78,644	71,532	154,247	254,941	58,378	6,389	448	10,586	3,256	816,070
Year 1993	144,504	19,583	27,037	87,102	77,906	166,295	259,645	62,166	6,854	507	9,542	5,695	866,836
Year 1994	157,315	18,342	32,107	95,763	94,710	177,734	276,050	63,274	7,056	532	8,838	961	932,682
Year 1995	171,656	18,983	36,888	102,809	97,947	189,692	293,264	59,109	6,562	304	8,344	750	986,308
Total:	**2,761,252**	**231,733**	**407,321**	**1,132,448**	**1,155,144**	**1,236,951**	**3,779,458**	**589,403**	**83,170**	**4,890**	**135,763**	**41,513**	**11,559,046**

0 = ***Data not available. 0 indicated for processing purposes.***

Notes:

1. Assualt went up by 24% between 1974 and 1995 and robbery by 171%
2. Between 1974 and 1995 murder increased by 119% and rape by 143%
3. Theft of motor vehicles increased by 275% and housebreaking by 223% between 1974 and 1995
4. Public violence dropped by 96% between 1993 and 1995

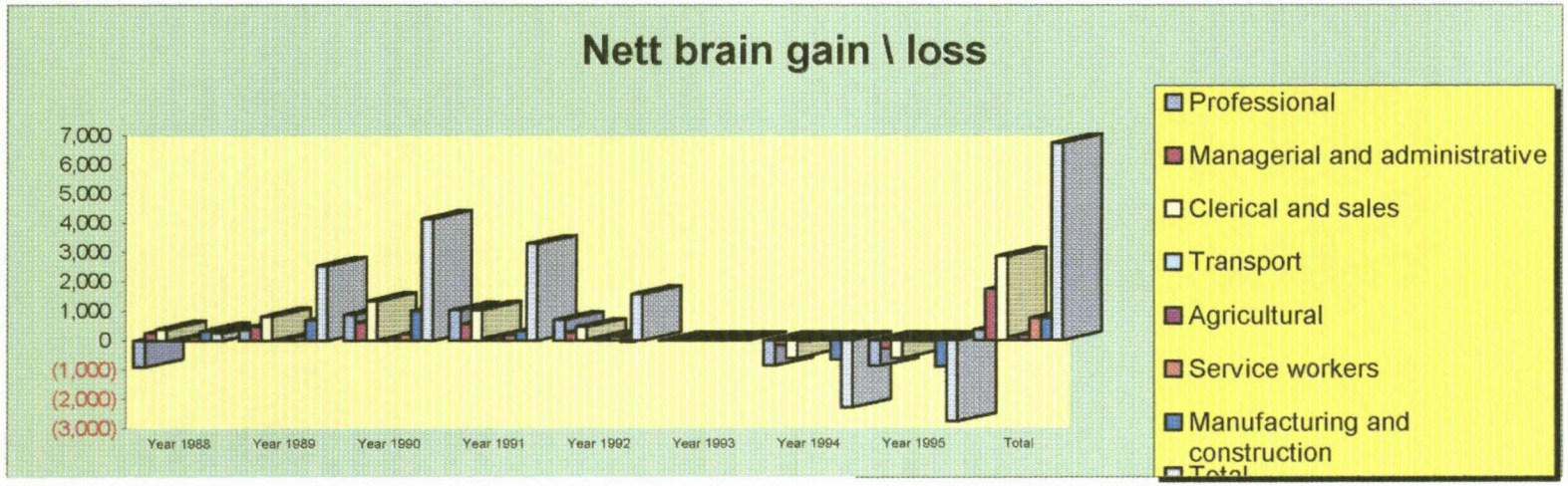
Source: South African Survey, 1996/97 (1997: 65 – 66)


Crime comparison: 1974 - 1995
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
Year 1974/75
Year 1975/76
Year 1976/77
Year 1977/78
Year 1978-79
Year 1979/80
Year 1980/81
Year 1981/82
Year 1982/83
Year 1983/84
Year 1984/85
Year 1986
Year 1987
Year 1988
Year 1989
Year 1990
Year 1991
Year 1992
Year 1993
Year 1994
Year 1995

SCHEDULE VII
IMMIGRATION

NET GAIN (LOSS) OF ECONOMICALLY ACTIVE PEOPLE BY OCCUPATION: 1988 – 1995								
Year	Professional	Managerial and administrative	Clerical and sales	Transport	Agricultural	Service workers	Manufacturing and construction	Total
Year 1988	(901)	250	395	8	43	131	329	255
Year 1989	367	476	826	12	40	135	688	2,544
Year 1990	888	598	1,349	26	63	209	1,018	4,151
Year 1991	1,031	561	1,042	75	59	191	334	3,293
Year 1992	710	278	471	44	(2)	126	(55)	1,572
Year 1993	0	0	0	0	0	0	0	0
Year 1994	(857)	(148)	(608)	(26)	6	(7)	(652)	(2,292)
Year 1995	(882)	(290)	(611)	(34)	(21)	(23)	(903)	(2,764)
Total	**356**	**1,725**	**2,864**	**105**	**188**	**762**	**759**	**6,759**

0 = Data not available. For calculation purposes included as a 0.



Republic of South Africa: Statistics in brief, 1997 (1997: 5.1 – 5.3)

SCHEDULE VIII
EDUCATION FROM AN INTERNATIONAL PERSPECTIVE

EXPENDITURE ON EDUCATION: SELECTED COUNTRIES										
Country	Currency	Year	Total educational expenditure			Current educational expenditure				Capital expenditure
			Amount	% of Gross National Product	% of government expenditure	Amount	% of the total	% of Gross National Product	% of current government expenditure	
Angola	*Kwansa*	1985	9,463	5.10	10.80	9,419	97.70	5.00	14.00	224
		1990	12,076	4.90	10.70	10,856	89.90	4.40	0.00	1,220
Argentina	*Paso*	1980	1,018	2.70	15.10	860	84.50	2.30	18.80	0.1580
		1994	10,471	3.80	14.00	0	0.00	0.00	0.00	0
		1996	10,171	3.50	12.60	9,798	96.30	3.40	0.00	374
Burundi	*Franc*	1985	3,467	2.50	15.50	3,212	92.70	2.40	17.10	254
		1990	6,570	3.40	16.70	6,370	97.00	3.30	19.40	200
		1995	12,531	4.10	0.00	11,486	91.70	3.80	0.00	1,045
		1996	10,743	3.20	18.30	10,437	97.20	3.10	20.30	306
Botswana	*Pula*	1985	111	6.20	15.40	88	79.30	4.90	18.60	23
		1994	862	8.20	19.30	670	77.70	6.40	21.60	192
		1995	1,070	8.60	15.80	819	76.50	6.60	18.40	251
		1996	1,471	10.40	20.20	1,101	74.80	7.80	22.60	370
China	*Yuan*	1980	11,319	2.50	9.30	10,263	90.70	2.30	0.00	1,056
		1994	111,769	2.40	0.00	100,128	89.60	2.20	0.00	11,641
		1995	130,661	2.30	0.00	115,179	88.20	2.00	0.00	15,482
		1996	155,611	2.30	11.90	136,149	87.50	2.00	11.80	19,462
India	*Rupea*	1980	40,683	3.00	11.20	40,219	98.90	2.90	0.00	464
		1993	285,968	3.60	11.80	282,797	98.90	3.50	0.00	3,171
		1995	365,570	3.40	11.60	361,757	99.00	3.30	12.70	3,813
Tunisia	*Dinar*	1980	185	5.40	16.40	162	87.60	4.70	23.50	23
		1994	983	6.60	16.40	865	88.00	5.80	20.90	118
		1995	1,103	6.80	17.40	958	86.90	5.90	0.00	145
		1996	1,207	6.70	17.40	1,035	85.80	5.80	25.90	172
Uganda	*Shiling*	1980	15	1.20	11.30	14	88.30	1.10	12.80	2
		1990	20,198	1.50	11.50	18,527	91.80	1.40	15.10	1,661

		1995	136,063	2.60	21.40	129,937	95.50	2.40	22.80	6,126
Nigeria	*Naira*	1981	3,153	6.40	24.70	2,523	80.00	5.10	68.70	630
		1994	10,284	1.20	14.80	7,878	76.60	0.90	0.00	2,406
		1995	12,816	0.90	11.50	9,798	76.50	0.70	0.00	3,010
South Africa	*Rand*	1986	8,108	6.00	0.00	6,844	84.40	5.00	0.00	1,264
		1994	30,850	7.30	21.60	0	0.00	0.00	0.00	0
		1995	32,293	6.80	20.50	30,355	94.00	6.40	0.00	1,938
		1996	42,053	7.90	23.90	38,910	94.90	7.50	0.00	2,143
Zambia	*Kwacha*	1980	127	4.50	7.60	120	95.10	4.20	11.10	6
		1994	44,327	2.20	6.50	38,128	86.00	1.90	0.00	6,199
		1995	61,035	2.20	7.10	56,514	92.60	2.10	0.00	4,521
Zimbabwe	*Dollar*	1980	224	6.60	13.70	218	97.40	6.40	14.10	6
		1994	0	0.00	0.00	4,029	0.00	9.00	0.00	0
		1995	0	0.00	0.00	3,896	0.00	7.20	0.00	0

0 = No data available; 0 included for calculation purposes.

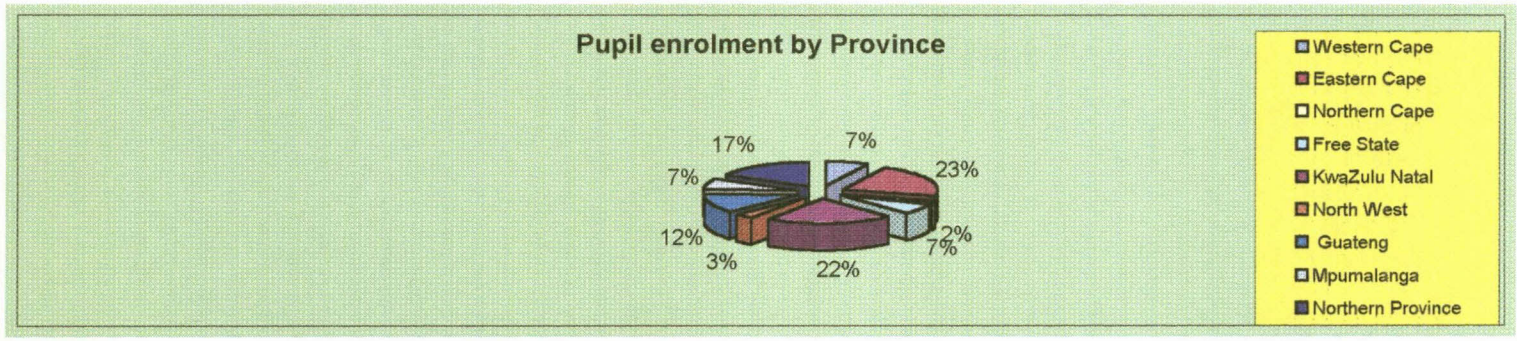
All amounts expressed in terms of millions ('000 000)

Statistical Yearbook, UNESCO (1997)

Schedule IX
Statistical overview on education in South Africa

EDUCATION

PUPIL ENROLMENT BY PROVINCE (THOUSANDS)										
Year	RSA	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu Natal	North West	Guateng	Mpumalanga	Northern Province
1994	10,968	798	2,396	197	766	2,400	373	1,372	822	1,872
1995	11,765	837	2,325	196	777	2,577	915	1,409	914	1,917



NUMBER OF SCHOOLS BY PROVINCE										
	RSA	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu Natal	North West	Guateng	Mpumalanga	Northern Province
Total	**26,730**	**1,743**	**5,975**	**533**	**3,050**	**5,039**	**2,268**	**2,172**	**1,924**	**4,026**
Public schools	26,178	1,683	5,975	518	3,014	4,944	2,246	1,900	1,903	3,995
Independent schools	552	60	0	15	36	95	22	272	21	31

Note:

The Eastern Cape could not be divided between public and independent schools.

Republic of South Africa: Statistics in brief, 1997 (1997: 6.5)

PUPIL-TEACHER RATION ACCORDING TO PROVINCE AND SCHOOL PHASE: PRIMARY AND SECONDARY EDUCATION

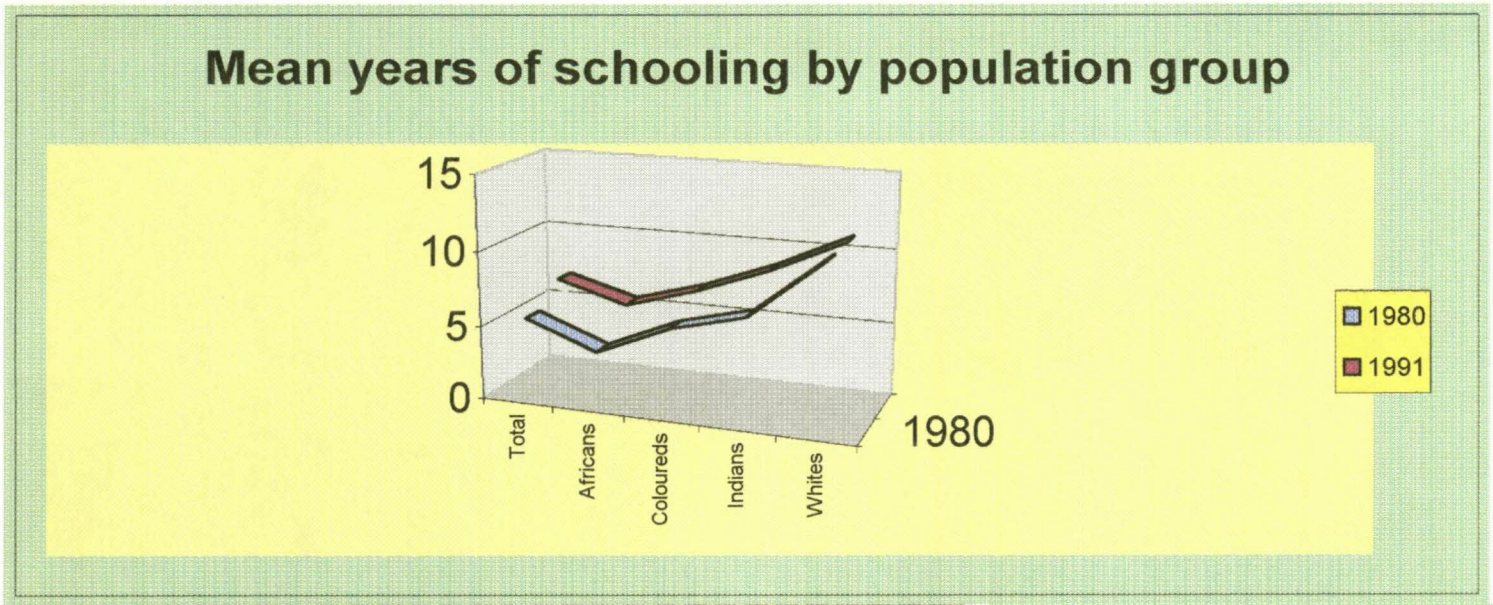
Year	RSA	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu Natal	North West	Guateng	Mpumalanga	Northern Province
1994	34.1	25.1	41.8	26.5	32.1	37.4	30.3	27.1	35.2	36.6
1995	33.7	25.7	41.1	27.1	34.6	35.6	30.3	28.1	36.1	36.6

MEAN YEARS OF SCHOOLING BY PROVINCE

Year	RSA	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu Natal	North West	Guateng	Mpumalanga	Northern Province
1980	5.43	7.63	4.63	5.42	5.13	4.91	4.35	7.35	3.92	2.82
1991	6.86	8.45	6.65	6.25	6.50	6.48	5.75	8.59	5.34	4.61

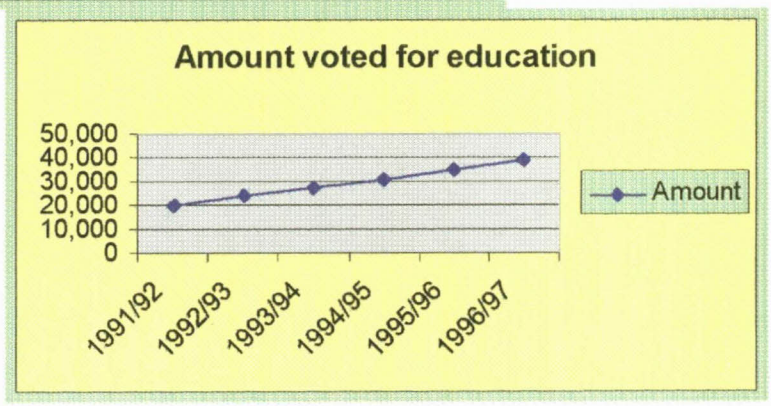
MEAN YEARS OF SCHOOLING BY POPULATION GROUP					
Year	Total	Africans	Coloureds	Indians	Whites
1980	5.43	3.63	5.72	6.98	10.96
1991	6.86	5.53	6.94	8.78	11.02

Republic of South Africa: Statistics in brief, 1997 (1997:6.6; 6.8 – 6.9)



BUDGETED EXPENDITURE ON EDUCATION BY THE CENTRAL GOVERNMENT (R MILLION)						
	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
Amount	19,929	24,393	27,761	30,850	34,594	39,166
Percentage (%)	20.6	20.7	21.1	22.0	21.9	22.1

Republic of South Africa: Statistics in brief, 1997 (1997: 6.11)

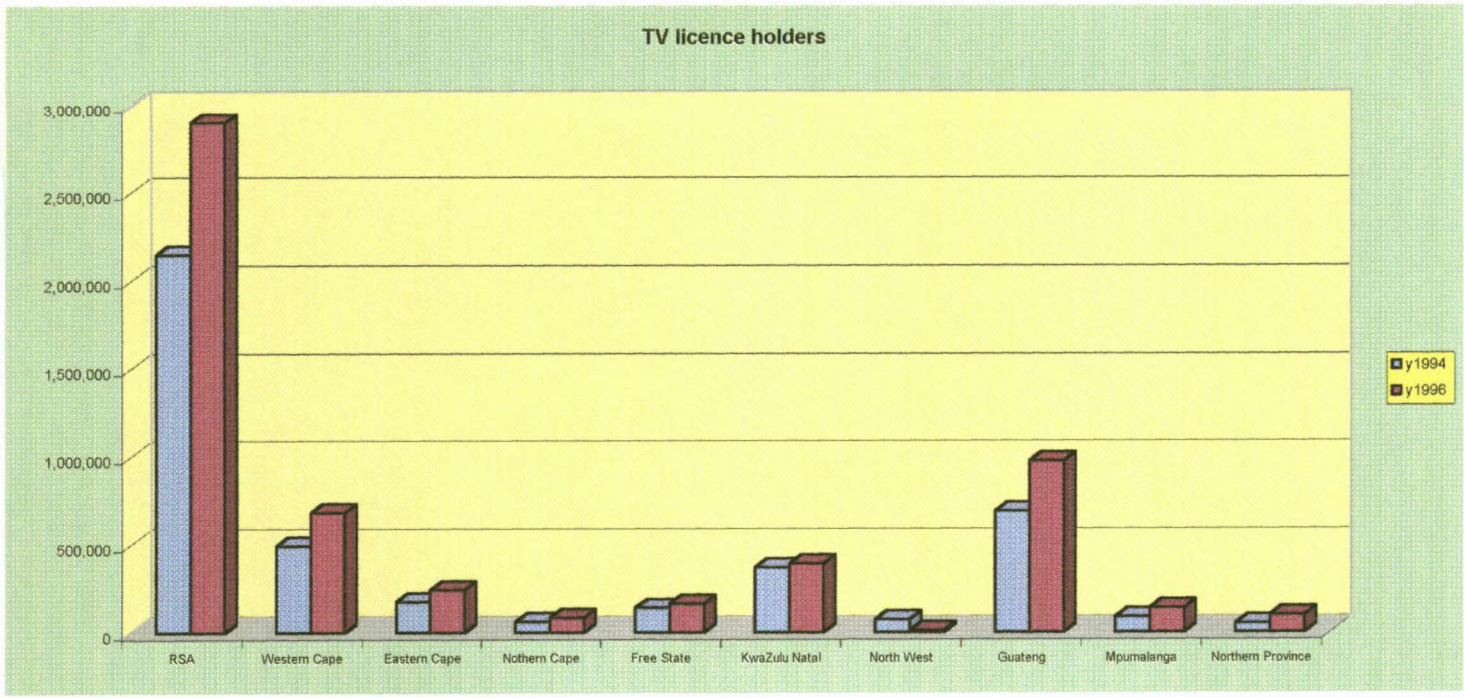


PERSONS (5-24 YEARS) ATTENDING SCHOOL / UNIVERSITY / TECHNICON (THOUSANDS)(1995)																
Age group	Total			Africans			Coloureds			Indians			Whites			
	Total	M	F	T	M	F	T	M	F	T	M	F	T	M	F	
RSA																
Total	**13,553**	**6,899**	**6,654**	**11,217**	**5,708**	**5,510**	**955**	**484**	**471**	**282**	**142**	**471**	**1,099**	**567**	**533**	
5 - 9	3,626	1,830	1,797	3,011	1,519	1,492	276	142	134	80	40	40	260	129	131	
10 - 14	4,656	2,349	2,307	3,780	1,905	1,875	377	189	188	104	53	51	395	202	193	
15 - 19	3,692	1,893	1,799	3,014	1,548	1,466	262	132	130	77	39	38	340	175	165	
20 - 24	1,578	827	751	1,411	734	677	40	21	19	21	11	11	105	61	44	
Urban																
Total	**5,656**	**2,908**	**2,748**	**3,539**	**1,832**	**1,707**	**829**	**420**	**409**	**269**	**135**	**135**	**1,018**	**522**	**497**	
5 - 9	1,402	710	692	852	432	421	234	121	113	77	38	38	239	119	120	
10 - 14	1,866	937	929	1,081	540	541	323	162	161	98	49	49	364	186	178	
15 - 19	1,641	850	791	1,014	533	481	237	119	117	74	37	37	316	161	156	
20 - 24	747	411	336	591	327	264	35	19	18	21	11	10	99	56	43	
Non-urban																
Total	**1,897**	**3,990**	**3,906**	**7,677**	**3,874**	**3,803**	**128**	**64**	**62**	**12**	**7**	**5**	**81**	**45**	**36**	
5 - 9	2,224	1,120	1,104	2,158	1,087	1,071	42	21	21	3	2	1	21	10	11	
10 - 14	2,790	1,412	1,378	2,699	1,365	1,334	54	27	27	6	4	2	31	16	15	
15 - 19	2,052	1,043	1,009	2,000	1,015	985	25	13	13	3	2	2	23	14	9	
20 - 24	831	416	415	820	407	413	5	3	1	0	0	0	6	6	1	

Republic of South Africa: Statistics in brief, 1997 (1997: 6.3)

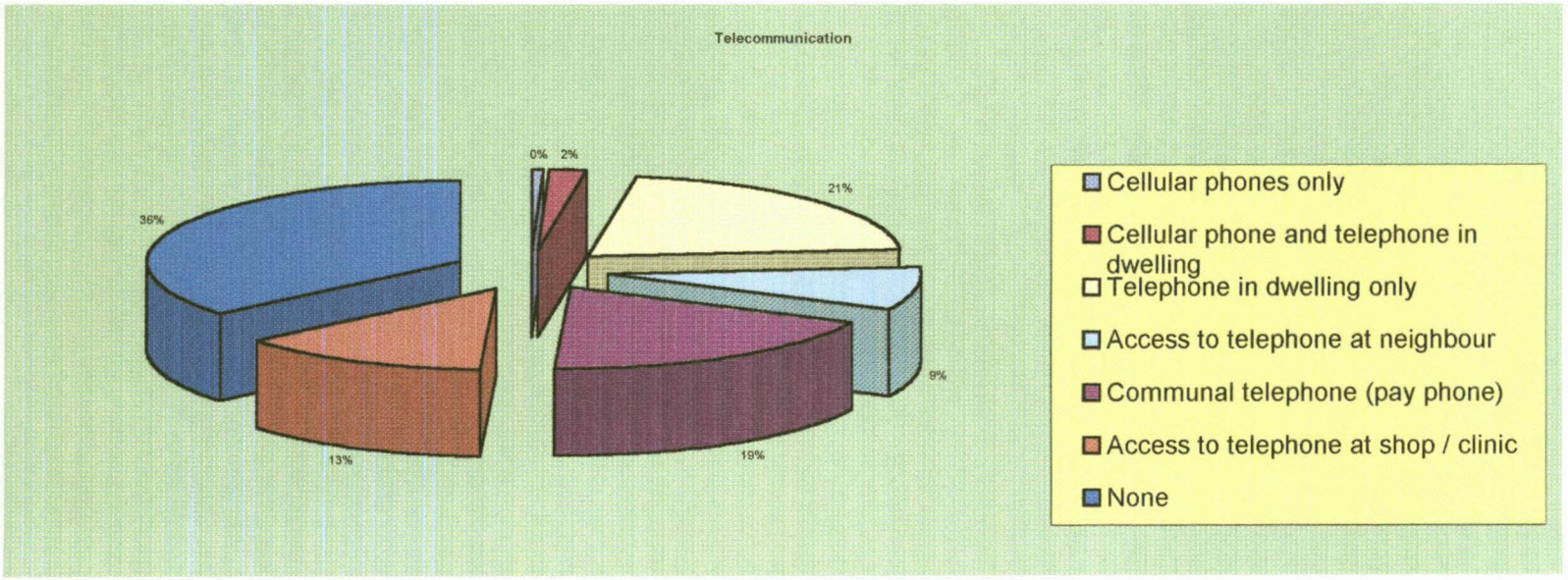
TV LICENCE HOLDERS BY PROVINCE										
-	RSA	Western Cape	Eastern Cape	Nothern Cape	Free State	KwaZulu Natal	North West	Guateng	Mpumalanga	Northern Province
y1994	2,148,900	495,300	174,290	63,700	140,400	370,500	74,100	690,300	88,400	52,000
y1996	2,900,000	681,644	243,662	85,140	164,092	392,673	11,680	978,762	138,085	99,362

Republic of South Africa: Statistics in brief, 1997 (1997:19.3)



TELECOMMUNICATION BY POPULATION GROUP -- % AND TOTAL NO. OF DWELLINGS						
Telecommunication	Total dwellings ('000)	Total	Africans	Coloureds	Indians	Whites
Republic of South Africa	8,802	8,802	5,951	748	246	1,858
Total	**8,802**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Cellular phones only	37	0.4	0.2	0.2	0.4	1.3
Cellular phone and telephone in dwelling	152	1.7	0.2	0.5	3.4	7.0
Telephone in dwelling only	1,651	30.1	13.2	36.5	70.4	76.6
Access to telephone at neighbour	682	7.7	8.1	17.3	9.2	2.6
Communal telephone (pay phone)	1,444	16.4	21.6	13.7	3.4	2.4
Access to telephone at shop / clinic	1,028	11.7	16.2	4.3	2.2	1.6
None	2,809	31.9	40.6	27.5	10.9	8.5

Republic of South Africa: Statistics in brief, 1997 (1997:19.4)



CIRCULATION OF NEWSPAPERS -- URBAN DWELLINGS						
Year	Total		English		Afrikaans	
	No.	Circulation ('000)	No.	Circulation ('000)	No.	Circulation ('000)
Y1990	19	1,329	14	1,069	5	261
Y1991	19	1,298	14	1,047	5	252
Y1992	19	1,311	14	1,060	5	251
Y1993	17	1,294	14	1,056	3	228
y1994	17	1,271	14	1,033	3	237
y1995	17	1,201	14	963	3	238
y1996	17	1,183	14	945	3	238

Republic of South Africa: Statistics in brief, 1997 (1997:19.5)

Schedule X
RELIGION IN SOUTH AFRICA

RELIGION AFFILIATION: SOUTH AFRICA (1991)					
Religion affiliation	***African***	***Asian***	***Coloured***	***White***	***Total***
Christian					
African independent churches	6,968,084	0	0	0	6,968,084
Dutch Reformed	1,064,709	0	563,783	1,595,021	3,223,511
Gereformeerde	0	0	0	119,859	119,859
Nederduitsch Hervormde	0	0	0	246,188	246,188
Afrikaans churches	0	1,375	0	0	1,375
Roman Catholic	1,790,160	13,800	233,364	315,092	2,353,416
Methodist	1,384,046	1,861	94,833	333,926	1,814,666
Anglican	647,268	4,635	232,493	291,679	1,176,075
Apostolic Faith Mission	135,687	0	61,005	225,046	423,738
Lutheran	686,129	1,618	81,161	0	768,998
Prebysterian	308,028	834	0	89,922	398,784
Congregational	238,065	0	129,104	0	367,169
Full Gospel	0	21,677	0	0	21,677
Other Cjristian Churches	1,436,617	79,260	713,283	725,283	2,955,035
Sub-total	*14,658,883*	*125,060*	*2,111,026*	*1,942,608*	*20,837,577*
Hindu	0	385,769	0	0	385,679
Islamic	0	166,609	157,801	0	324,410
Jewish	0	0	0	65,373	65,373
Non-Christian but unspecified	31,498	6,895	6,575	7,050	51,118
Sub-total	*31,498*	*559,183*	*163,476*	*72,423*	*826,580*
Unspecified and no religion	7,502,899	302,420	1,006,046	1,046,754	9,858,119
Total	**22,193,310**	**986,799**	**3,280,548**	**5,061,785**	**31,522,442**

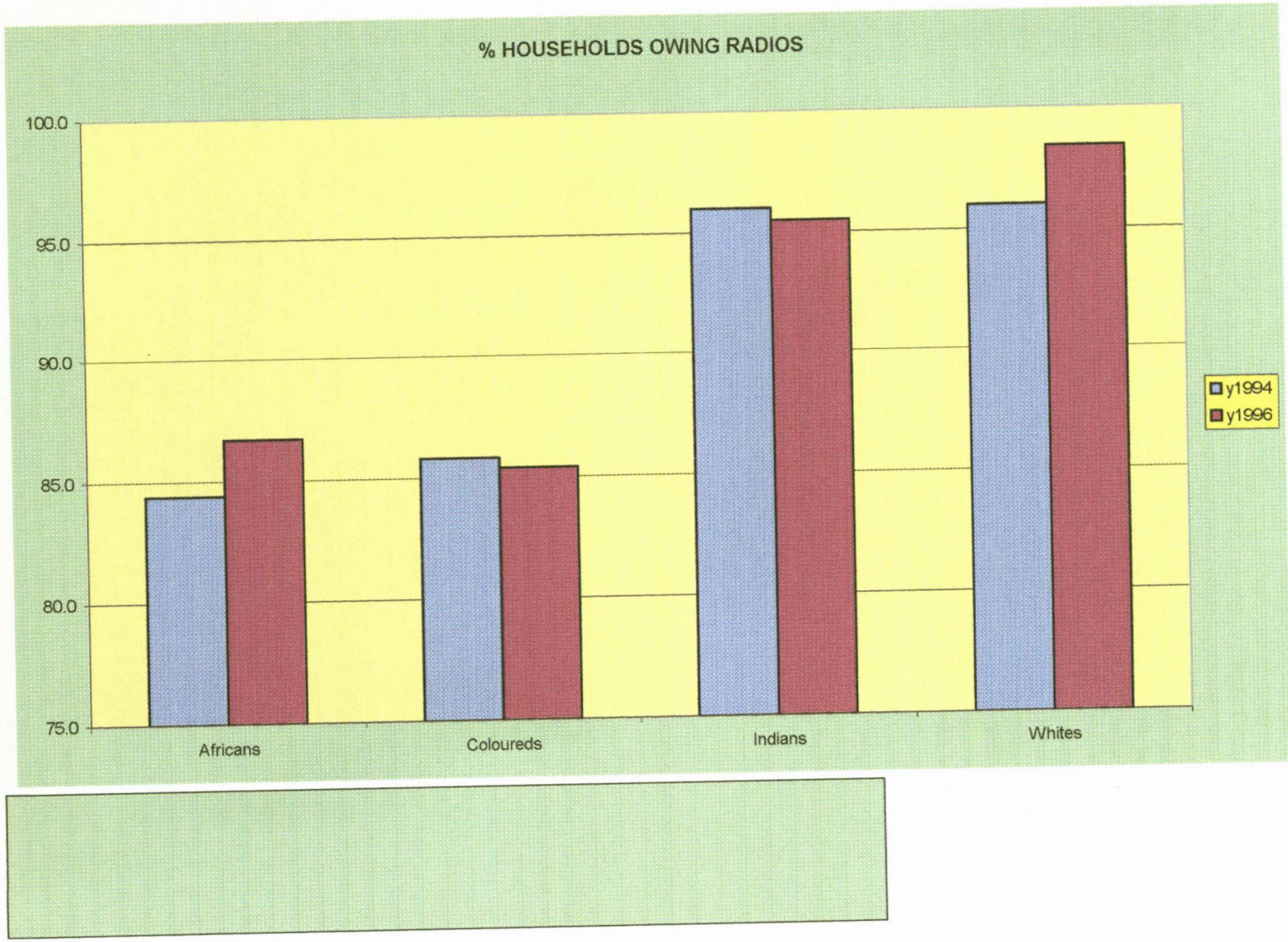
Notes:

Figures may not add up owing to rounding.

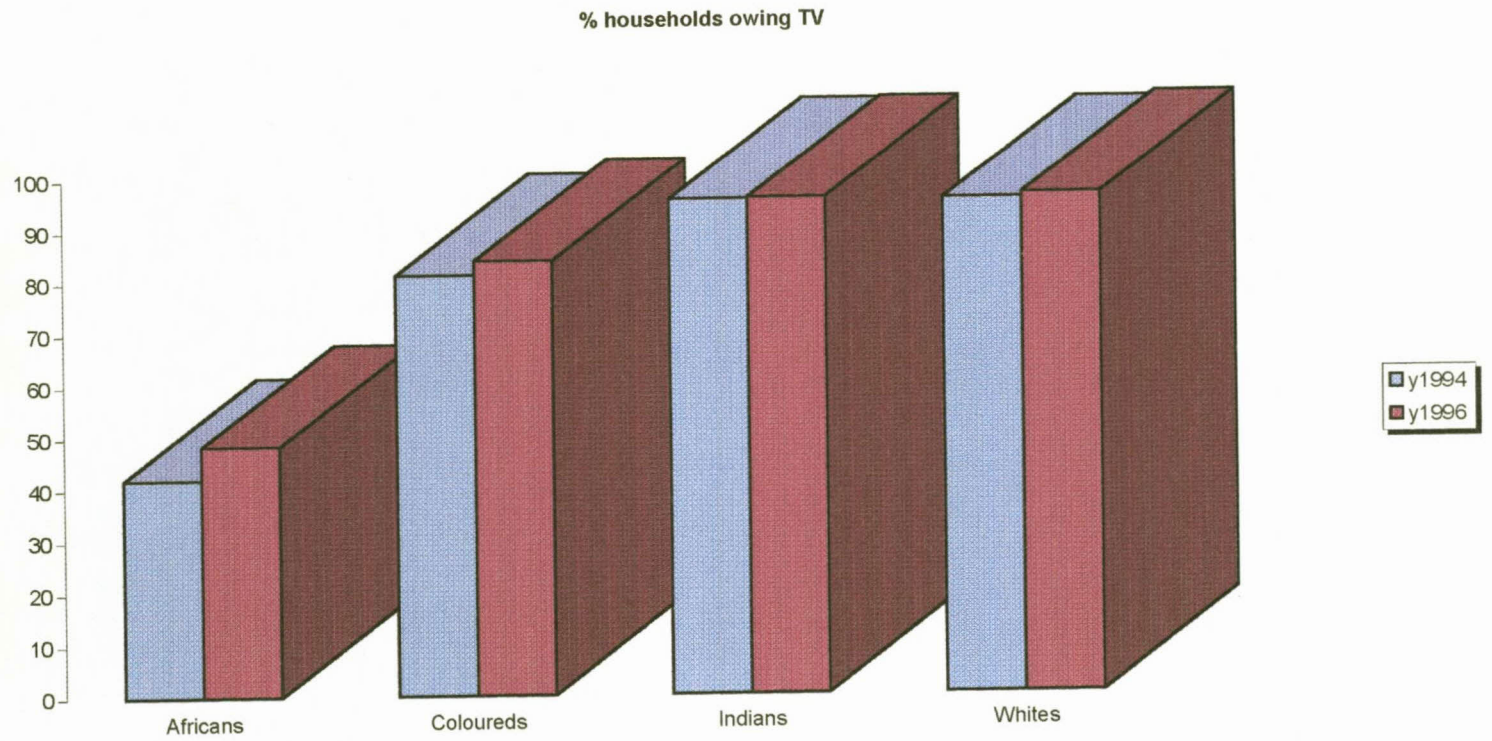
Source: South African Survey, 1996/97: 23

SCHEDULE XI
MEDIA

% OF HOUSEHOLDS OWING RADIOS				
Year	Africans	Coloureds	Indians	Whites
y1994	84.4	85.8	96.0	96.0
y1996	86.7	85.4	95.5	98.4

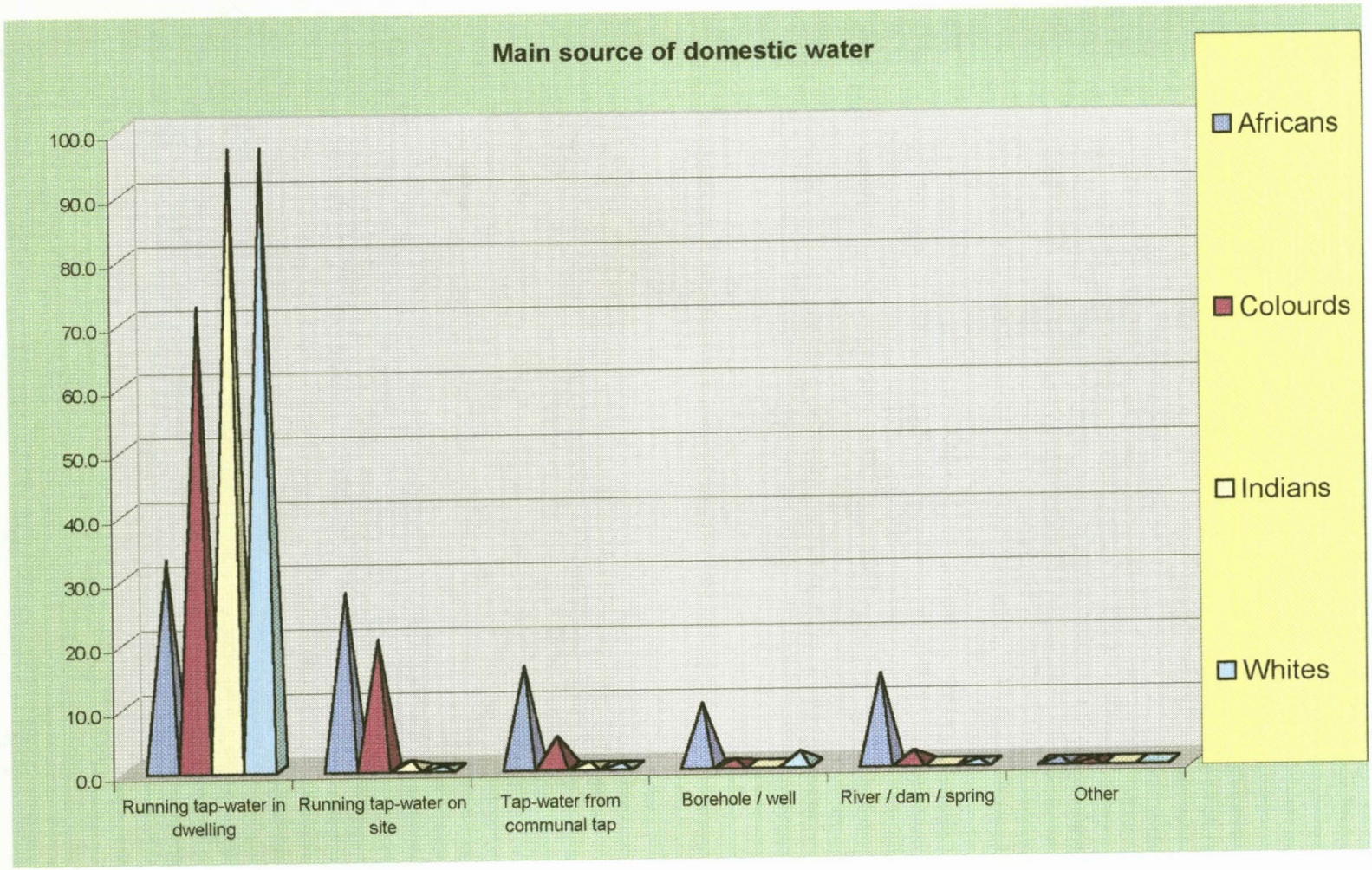

% HOUSEHOLDS OWING RADIOS
100.0
95.0
90.0
85.0
80.0
75.0
Africans
Coloureds
Indians
Whites
y1994
y1996

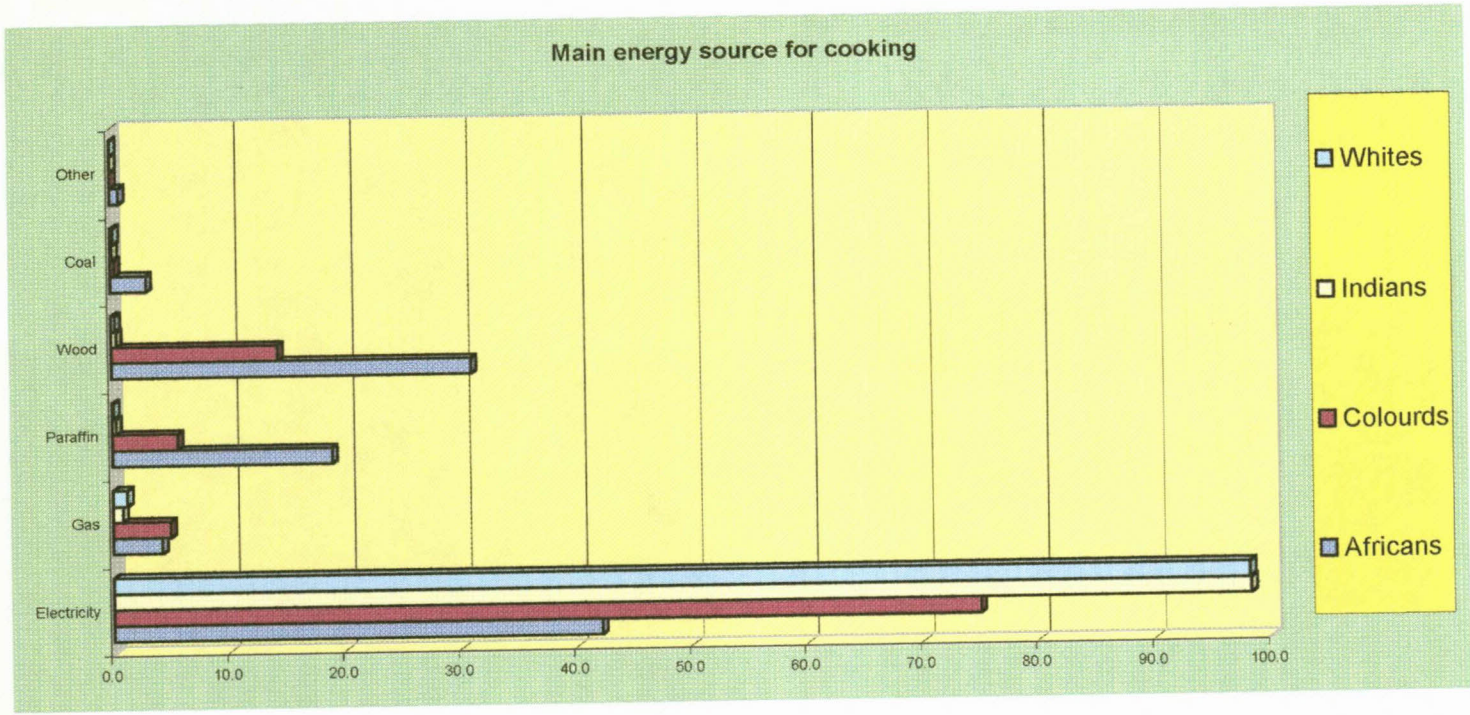
% OF HOUSEHOLDS OWING TV'S				
	Africans	Coloureds	Indians	Whites
y1994	41.9	81.3	95.8	95.7
y1996	48.3	84	96	96.5

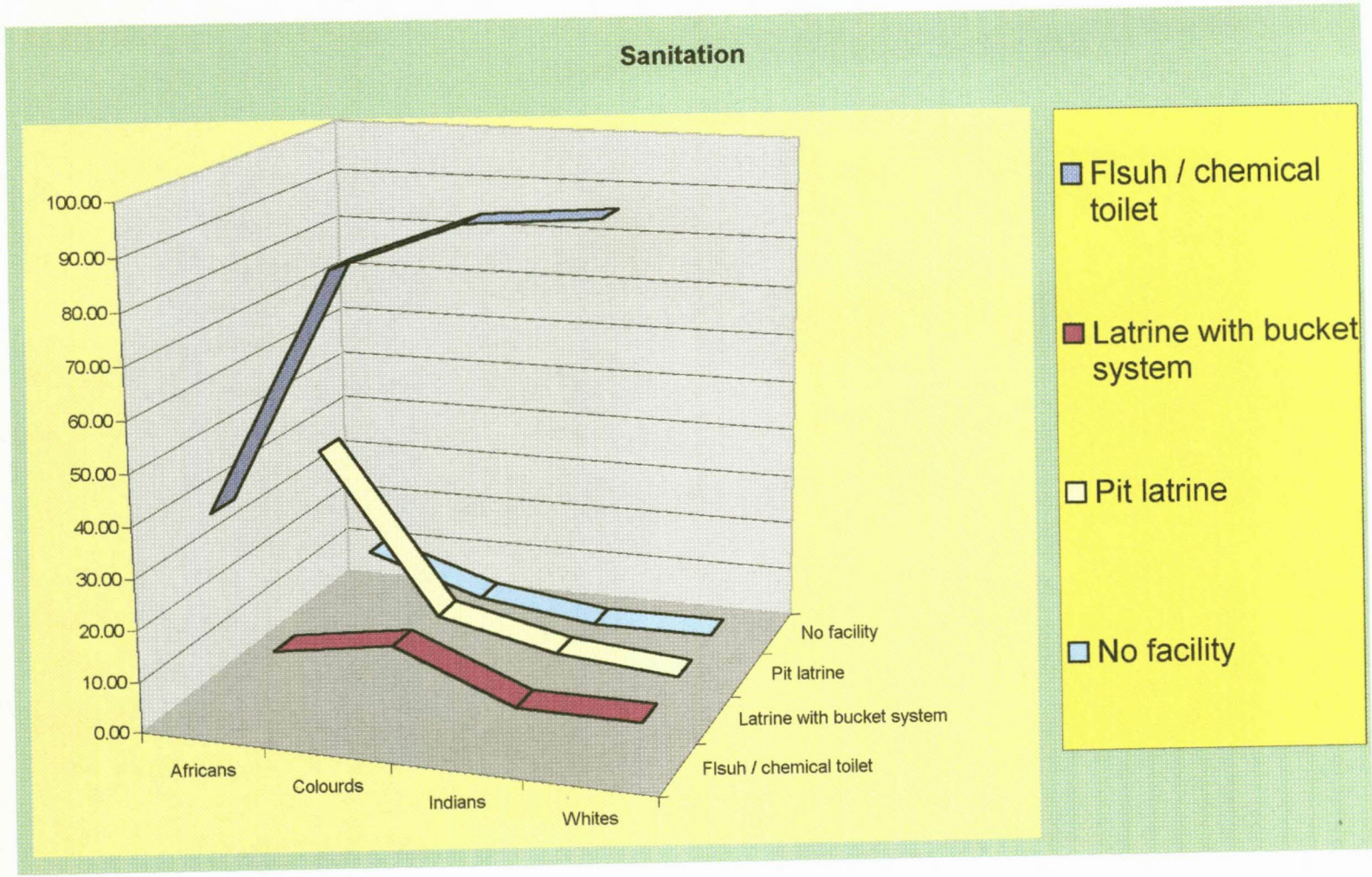


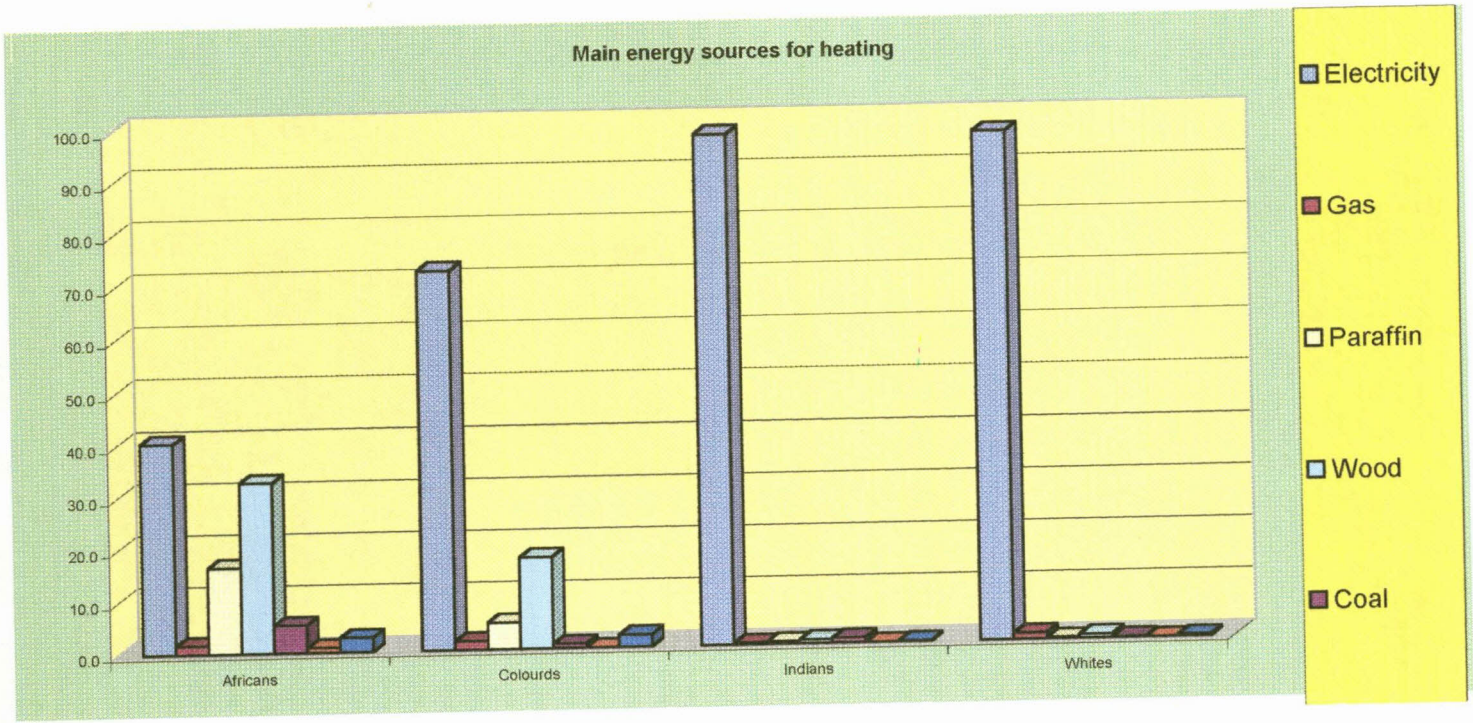
Pit latrine	27.60	40.00	7.50	2.20	0.10
No facility	7.70	10.90	3.20	0.00	0.10
Refuse removal					
	Total	**Africans**	**Colourds**	**Indians**	**Whites**
Removed by local authority	58.00	43.20	80.20	93.60	91.50
Communal refuse dump	3.60	4.20	6.40	0.70	1.10
Own refuse dump	25.70	34.10	11.90	5.60	6.80
Other	12.70	18.50	1.50	0.10	0.60

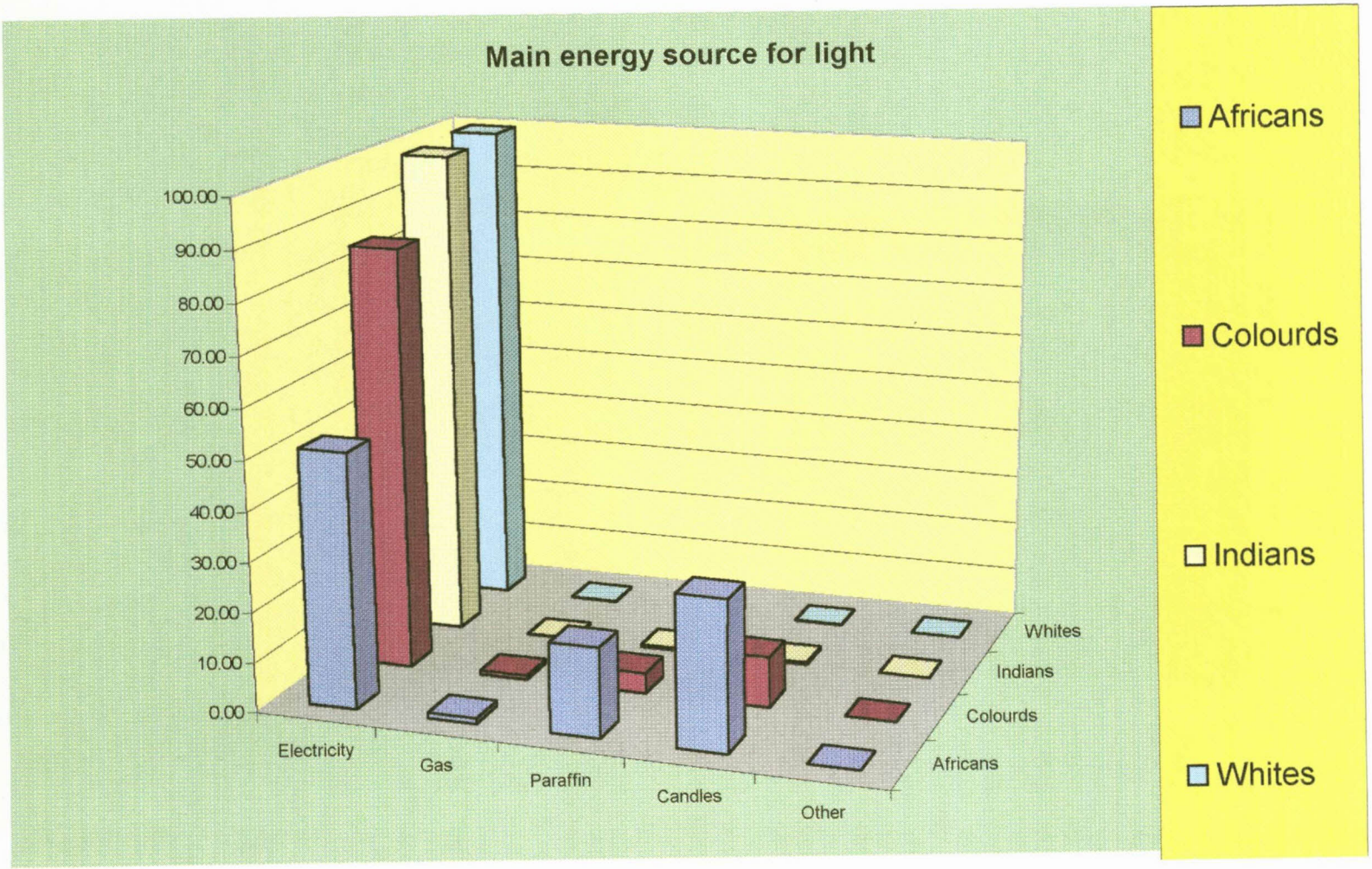
Republic of South Africa: Statistics in brief, 1997 (1997: 5.1 – 5.3)

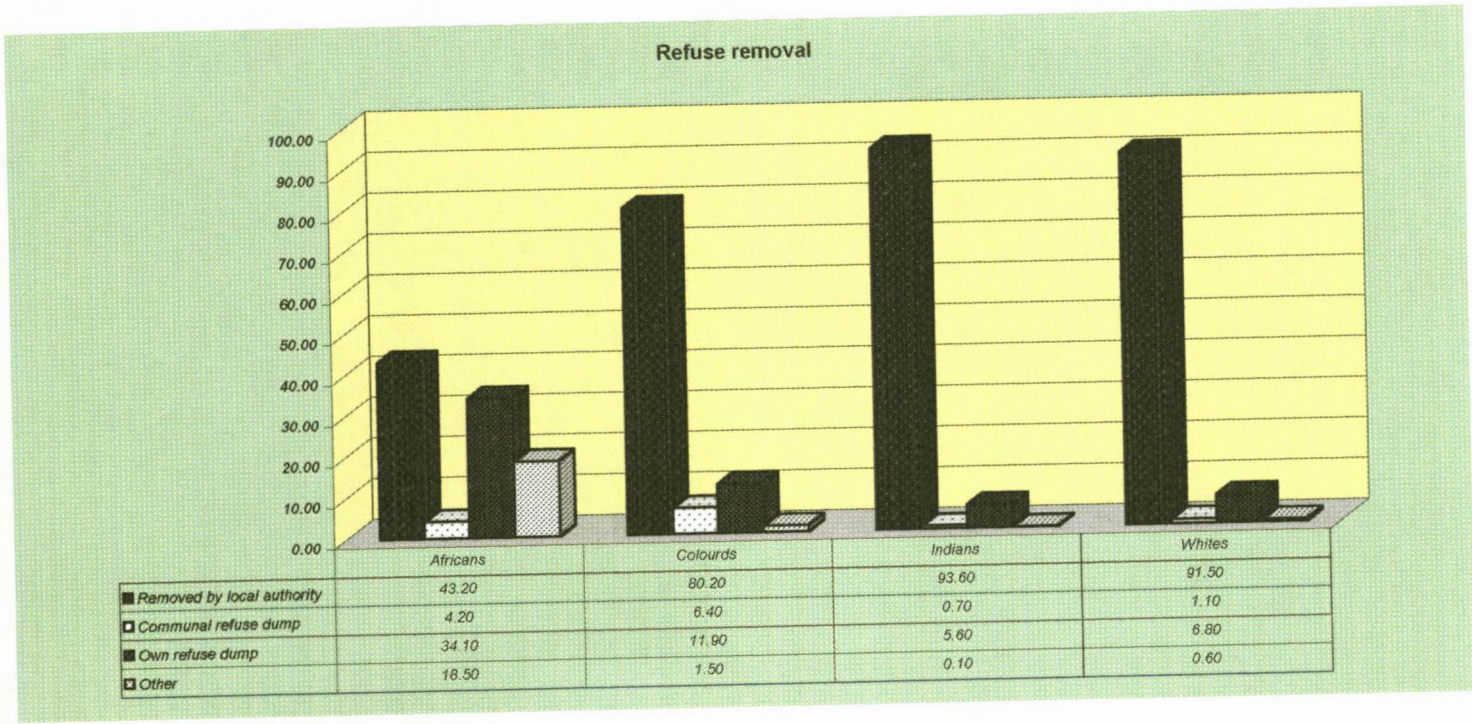

Main source of domestic water
100.0
90.0
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
Running tap-water in dwelling
Running tap-water on site
Tap-water from communal tap
Borehole / well
River / dam / spring
Other
Africans
Colourds
Indians
Whites


Main energy source for cooking
Other
Coal
Wood
Paraffin
Gas
Electricity
0.0
10.0
20.0
30.0
40.0
50.0
60.0
70.0
80.0
90.0
100.0
Whites
Indians
Colourds
Africans


Sanitation
100.00
90.00
80.00
70.00
60.00
50.00
40.00
30.00
20.00
10.00
0.00
Africans
Colourds
Indians
Whites
No facility
Pit latrine
Latrine with bucket system
Flsuh / chemical toilet
Flsuh / chemical toilet
Latrine with bucket system
Pit latrine
No facility


Main energy sources for heating
100.0
90.0
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
Africans
Colourds
Indians
Whites
Electricity
Gas
Paraffin
Wood
Coal


Main energy source for light
100.00
90.00
80.00
70.00
60.00
50.00
40.00
30.00
20.00
10.00
0.00
Electricity
Gas
Paraffin
Candles
Other
Whites
Indians
Colourds
Africans
Africans
Colourds
Indians
Whites



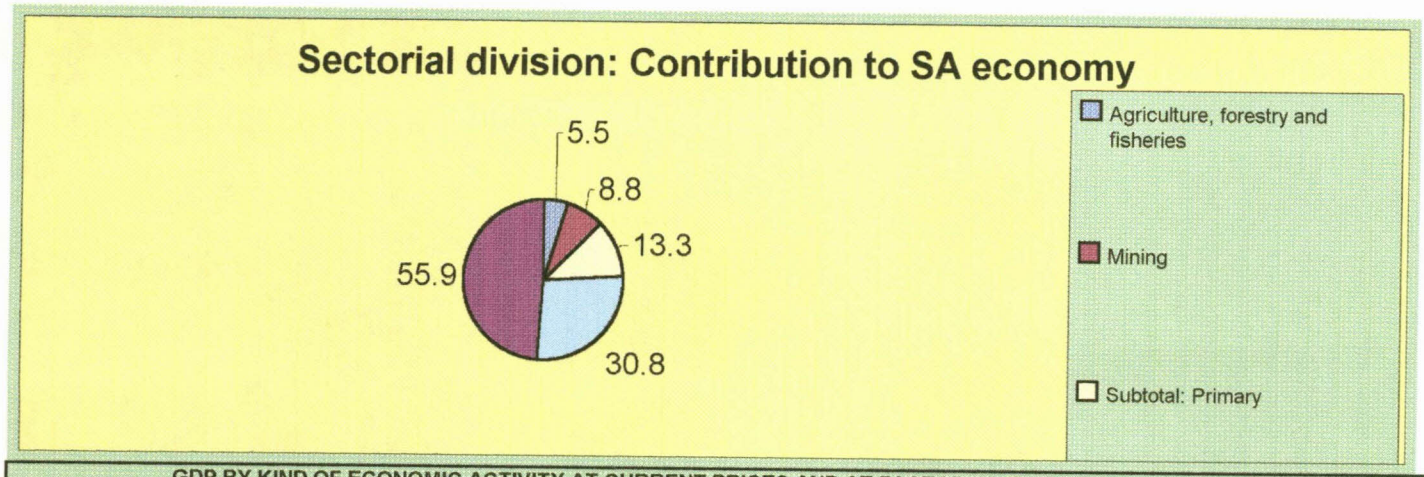
	Africans	Colourds	Indians	Whites
Removed by local authority	43.20	80.20	93.60	91.50
Communal refuse dump	4.20	6.40	0.70	1.10
Own refuse dump	34.10	11.90	5.60	6.80
Other	18.50	1.50	0.10	0.60

SCHEDULE XII

OVERVIEW ON THE SOUTH AFRICAN ECONOMY

PERCENTAGE CONTRIBUTION OF VARIOUS SECTORS TO THE GDP 1993 – 1995			
Sector	**1993**	**1994**	**1995**
Agriculture, forestry and fisheries	5.5	5.2	4.4
Mining	8.8	8.6	7.7
Subtotal: Primary	13.3	13.8	12.1
Subtotal: Secondary (Includes manufacturing, electricity, gas, water and construction)	30.8	30.6	31.6
Subtotal: tertiary includes trade, catering, accommodation, transport, communication, finance, insurance, real estate, and other community, social and personal services, including the Government).	55.9	55.6	56.3
Total	**100.0**	**100.0**	**100.0**

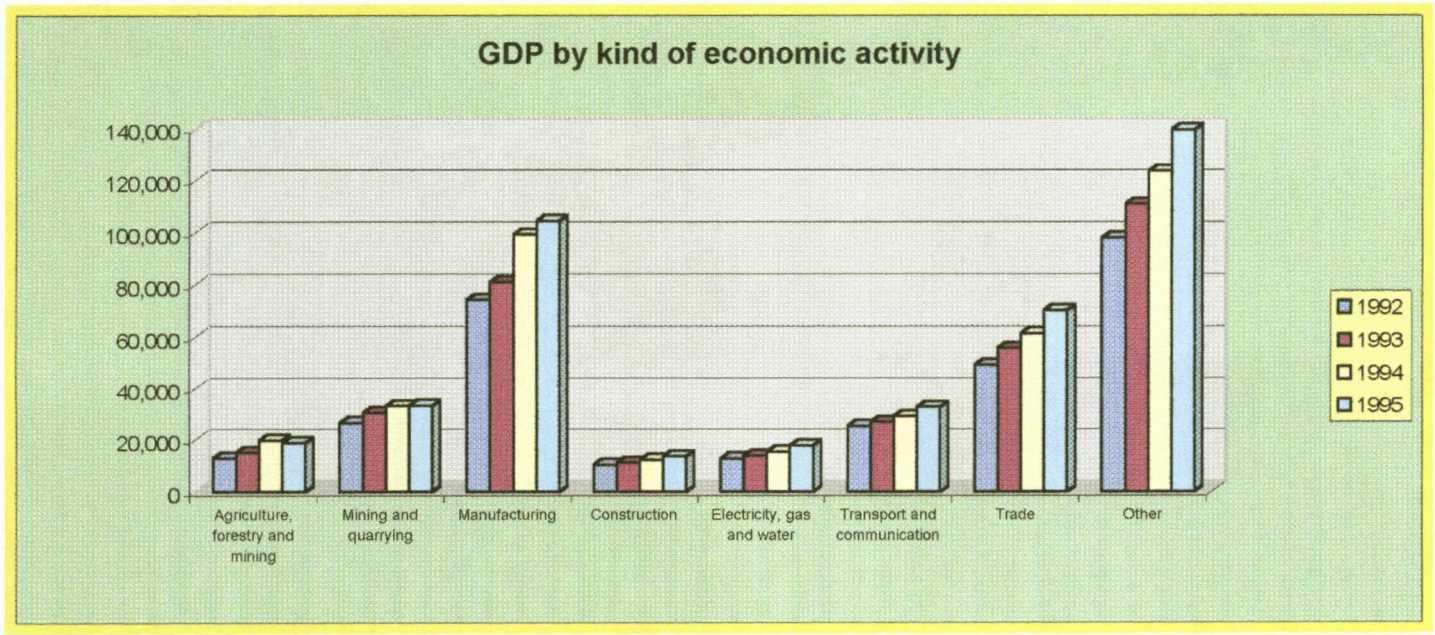
Republic of South Africa: Statistics in brief, 1997 (1997:20.3)



GDP BY KIND OF ECONOMIC ACTIVITY AT CURRENT PRICES AND AT FACTOR INCOMES (R MILLION): 1992 – 1995

Period	Agriculture, forestry and mining	Mining and quarrying	Manufacturing	Construction	Electricity, gas and water	Transport and communication	Trade	Other	Total
1992	12,865	26,502	74,295	10,305	12,764	25,232	49,137	97,985	309,085
1993	15,054	30,505	81,167	11,249	13,969	26,780	55,699	110,994	345,949
1994	19,802	33,172	99,177	12,281	15,506	29,030	61,450	123,674	385,092
1995	18,779	33,305	104,474	13,606	17,797	32,691	70,094	139,678	430,424

Republic of South Africa: Statistics in brief, 1997 (1997:20.2)


GDP by kind of economic activity
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
Agriculture, forestry and mining
Mining and quarrying
Manufacturing
Construction
Electricity, gas and water
Transport and communication
Trade
Other
1992
1993
1994
1995