

**Socio-economic Impact Assessment of the Municipal  
Infrastructure Grant (MIG), with specific reference to  
Buffalo City Metro Municipality**

**BY**

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and Economics, Faculty of Management Sciences, Durban University of  
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## DEDICATION

I dedicate this thesis to my late Grandfather **Wilson Tafeni** who instilled the value of education in me. May his soul rest in eternal peace!

## DECLARATION

I, ZOLANI TAFENI, hereby declare that “**Socio-Economic Impact Assessment of the Municipal infrastructure Grant (MIG), with specific reference to Buffalo City Metro Municipality**” is my own work and that all the resources that I have used or quoted have been indicated and acknowledged by means of complete references.

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**SIGNATURE**  
**(MR. Z TAFENI)**

.....

**DATE**

## ABBREVIATIONS AND ACRONYMS

AACPS	:	Anne Arude Country Public School
ADM	:	Amathole District Municipality
ANC	:	African National Congress
AREDS	:	Amathole Regional Economic Development Strategy
ASGISA-EC	:	Accelerated and Shared Growth Initiative of South Africa – Eastern Cape
BBBEE	:	Broad Based Black Economic Empowerment
BCMM	:	Buffalo City Metropolitan Municipality
BDS	:	Business Development Services
BIDPA	:	Botswana Institute for Development Policy Analysis
BPO	:	Business Process Outsourcing
BWIs	:	Breton Woods Institutions
CASP	:	Comprehensive Agricultural Support Programme
CBED	:	Community Based Economic Development
CBOs	:	Community Based Organisations
CSES	:	Cambodia Socio-Economic Survey
CSI	:	Corporate Social Investment
CSO	:	Civil Society Organisation
CSR	:	Corporate Social Responsibility
DARD	:	Department of Agriculture and Rural Development
DBFO	:	Design Build Finance & Operate
DLGTA	:	Department of Local Government and Traditional Affairs
ECDC	:	Eastern Cape Development Cooperation
ELIDZ	:	East London Industrial Development Zone
GDP	:	Gross Domestic Product
GDS	:	Growth and Development Summit
GEAR	:	Growth, Employment and Redistribution
HDI	:	Human Development Index
IDP	:	Integrated Development Plan
IMF	:	International Monetary Fund
IUCN	:	International Union for the Conservation of Nature

LED	:	Local Economic Development
LFS	:	Labour Force Survey
LMs	:	Local Municipalities
MDGs	:	Millennium Development Goals
M&E	:	Monitoring and Evaluation
MSPs	:	Municipal Service Partnerships
NDA	:	National Development Agency
NEPAD	:	New Partnership for Africa's Development
NGOs	:	Non-Governmental Organisations
NMBM	:	Nelson Mandela Bay Municipality
NP	:	National Party
NPW	:	New Public Management
ODA	:	Official Development Assistance
PFMA	:	Public Finance Management Act
PGDP	:	Provincial Growth and Development Plan
PPPs	:	Public Private Partnerships
RDP	:	Reconstruction and Development Plan
RTG	:	Ready to Govern
SADC	:	Southern African Development Community
SED	:	Socio-Economic Development
SEDA	:	Small Enterprise Development Agency
SESC	:	Socio-Economic Survey of Cambodia
SMMEs	:	Small, Medium and Micro Enterprises
SPV	:	Special Purpose Vehicle
STATSSA	:	Statistics South Africa
STRP	:	Small Towns Regeneration Programme
UK	:	United Kingdom
UN	:	United Nations
USA	:	United States of America
VFM	:	Value for Money
WB	:	World Bank

## **ABSTRACT**

The focus of this study is primarily to assess the socio-economic impact of the Municipal Infrastructure Grant (MIG) in the provision of key basic services in the Buffalo City Metropolitan Municipality (BCMM). To that effect, the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999) contends that National Treasury must make regulations for a range of matters to do with the effective and efficient management and use of financial resources.

The government of the Eastern Cape, despite the introduction of MIG as an alternative enabler for improved socio-economic development, is still faced with serious social and economic challenges such as low economic growth, increased poverty levels, unemployment and mostly stagnant service delivery. These challenges are largely manifested at municipal level, and BCM has been one of the selected metros where the above triple challenge manifests itself on an increased scale (Freud, 2014:14).

Section 152 of the RSA Constitution of 1996 mandates the Municipalities to promote social and economic development. The war against poverty in South Africa cannot be over-emphasized, because policies are developed but the main issue is the implementation of these programmes, and that is still a major challenge. Equally so, Chapter 7 of the RSA Constitution states that "...a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community".

The study whose aim was to assess the impact of MIG adopted a qualitative research approach, where structured interviews were conducted with 20 purposely selected participants. One core finding of the study suggested that for the municipalities to effectively and efficiently implement the MIG there is a need of an inclusive MIG Implementation Model which combines capacity development.

One key recommendation is that it is crucial to adopt a project management model towards effective implementation of MIG projects at the municipal level and in South Africa as a whole. Secondly, it is proposed that MIG guidelines and implementation toolkits should be standardized in order to ensure synergy.

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# CHAPTER 1

## INTRODUCTION AND BACKGROUND

### 1.1 INTRODUCTION

This study primarily focused on the socio-economic impact assessment of government funded Municipal Infrastructure Grant whose basic focus is on the municipal service provision through infrastructure development programmes in the Buffalo City Metropolitan Municipality. In terms of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999), National Treasury is required to prepare regulations to deal with matters relating to effectiveness and efficiency as well as the use of financial resources. In spite of the number of socio-economic development initiatives that the Eastern Cape Province has developed over a decade, the people of the province are still faced with high levels of poverty, unemployment and inequality due to underdevelopment and poor service delivery (Eastern Cape, Economic Review 2016, 19).

Despite the South African Government's positive effort aimed at social and economic transformation inherited from the apartheid regime, which was discriminatory in nature, people still experience serious socio-economic injustices. This is evident in the inadequate goods and service provision and immense infrastructure backlogs, especially the Eastern Cape Province. According to Freud (2014:9), the people of South Africa are still faced with social and economic challenges even after 22 years into democracy. This has led to a higher demand for municipal services and viable local economies that are able to create sustainable opportunities for the local communities towards social and economic transformation processes.

The first South African democratic government led by the African National Congress (ANC) in valour of transforming the discriminatory socio-economic development towards an inclusive and sustainable development established key

critically important government spheres which include: National Government, Provincial Government and Local Government Sphere. This process was guided by the provisions of the Constitution of the Republic of South Africa of 1996, (Act 108 of 1996). The second phase that the ANC-led democratic government engaged itself on was the development and introduction of the Reconstruction and Development Programme, 1994 (RDP). Next was the Growth Employment and Redistribution Programme, 1998 (GEAR), and provinces were required to develop their individual Provincial Growth and Development Programme (PGDP) for a ten (10) year period. These policy frameworks largely focused on social transformation except the GEAR policy and the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) which largely focused on economic transformation. The once common aspect shared by these documents was the cutting across development aspect in all the three government spheres regardless of the introduction years (Mditshwa, 2012:43). Mditshwa (2012:15) further observes that “the South African people are still trapped in poverty, experiencing inequality as far as access to social, economic, political and symbolic power is concerned”.

The Millennium Development Goals (MDGs) adopted in 2000 during the World Social Summit in the United States identified and defined poverty eradication as an “ethical, social, political and economic imperative of humankind and called on governments across to address the root causes of poverty, provide for basic needs for all and ensure that the poor have access to productive resources, including the ability to raise credit, education and training”. The World Social Summit resolutions, the Southern African Development Community (SADC), which South Africa is part of, signed a collective effort to deal with the scourge of poverty within the parameters of SADC’s environment

Section 152 (1)(c) of the RSA Constitution of 1996 mandates the Municipalities — to encourage social and economic development. The need for collective efforts against poverty in South Africa cannot be over-emphasised for actioning. Various policies have been developed by government but the most critical issue facing

government is the implementation of those policies and programmes (Mbanga, 2012:478). A municipality in terms of chapter 7 of the RSA Constitution of 1996 is obliged to structure and manage its corporate governance process such the administration, budgeting and planning in order to prioritise the provision of basic community needs towards improved socio-economic development. In order to achieve this Constitutional goal, the municipality has to allow public participation and involvement in all development-oriented matters. The local government sphere cannot be run outside the democratic aspects (Mpengu, 2010:21).

The MIG since its introduction gained a positive hopeful momentum as it became the first infrastructure development policy document produced by the then Provincial Department of Local Government in response to social, economic and rural economic development challenges that faced the country, and poverty eradication becoming the centre of attention (DPLG, 2007:3). The MIG programme aimed at “providing all South Africans with at least a basic level of service by the year 2013 through the provision of grant finance to cover capital cost of basic infrastructure for the poor,” said the then Honourable Minister Sydney Mufamadi (Department of Provincial and Local Government, 2006). The Eastern Cape is one of five provinces where 60% (even more) of its population lives in rural parts serviced by small towns. The other provinces include Mpumalanga, Limpopo, North West, Free State and KwaZulu Natal. The province still suffers from people leaving for other provinces, and to the two main cities of East London [eMonti] and Port Elizabeth [eBhayi], to find open opportunities of employment rather than staying in small towns (Eastern Cape Socio-Economic Consultative Council Quarterly Review , 2006: 27). This is the broader context within which the study was conceptualised.

This study contributes to the existing body of knowledge in relation to the promotion of socio-economic development and rural-economic development through the MIG in Buffalo City Metropolitan Municipalities (BCMM) in the Eastern Cape Province. It achieves this goal by conceptualising the MIG project in a clear

and rational way as an integrated aspect of strategic development and management processes in municipalities that need to be implemented in a more participatory way in order to achieve the overall strategic goal and pre-determined objectives of sustainable rural development. The purpose of undertaking this study was to examine the extent to which the MIG policy programme has an impact on the lives of the public in the BCMM.

## 1.2 CLARIFICATION OF TERMS AND CONCEPTS

The following definitions feature in the study:

**Local government:** According the RSA Constitution, 1996 (Act 108 of 1996) three government spheres are provided for establishment namely: National, Provincial and Local Government spheres. These spheres of government are interdependent, distinctive, and interrelated. Local government is a sphere of government where the actual municipal service provision takes place and community needs emanate. This sphere is better located to satisfy the needs, desires and aspirations of local communities.

**Developmental local government:** The White Paper on Local Government (1998) as quoted by Mpengu (2010:21) defines Developmental Local Government as "...local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives". For it to be significant and meaningful, it should put more target emphasis, especially on those members and groups within communities that are often marginalised, such as women, disabled people and very poor people.

**Municipal Service Partnerships:** According to Van Niekerk (1998:32), municipal services partnerships are service delivery arrangements between local government institutions and private sector entities aimed at providing and



facilitating public infrastructure development, social facilities and related goods and services. Such partnerships are characterized by the sharing of investment, risk, responsibility and reward between the partners.

**Municipal Infrastructure Grant (MIG):** The MIG is a funding arrangement provided by government to municipalities for the purposes of infrastructure development. It incorporates all municipal capital grants into a single consolidated municipal infrastructure grant. The aim of the MIG is mainly to centrally coordinate and integrate the infrastructure development requirements for cost effective planning and integrated service delivery by the municipalities (DPLG, 2004/2007).

**Integrated Development Planning (IDP):** is defined as an approach to long term planning that involves the whole municipality and its community in finding the best solutions to their daily service problems and achieve good long-term development. It is a super plan for the area that gives the overall framework for development. Municipalities are required in terms of Municipal Systems Act 32 (2000) to facilitate the development of a 5 year Integrated Development Plan in line with the electoral cycle..

**Local Economic Development (LED):** In practice LED originates from a term that referred to deliberate intervention to promote economic development in a precise area that is not the national area-from a very small neighborhood through to fairly large sub-national regions (Draft Provincial LED Guidelines, 2008). The former MEC Pumulo Masaulle in his Policy Speech (2008) says “LED is a unique field of government policy that directly connects the programmes and resources of central government, both national and provincial, with the combined initiative and coordinated effort of local institutions and communities working together to address their agreed priority needs and opportunities”. The above, equally sustained, will certainly result in job creation and improved socio-economic development of the communities.

**Accountability:** The Constitution of the Republic of South Africa of 1996, Act 108 of 1996, empowers the public to hold responsible all those who are assigned with the management of public funds in service delivery to ensure government's accountability to the citizens.

**The Public Sector:** David, Maphunye and Theron (2005:32) write that public sector is a combination of all organisations or institutions operating in the three government spheres. The Public Sector which is largely referred to as government is legislatively required to develop, implement and monitor development policies and programmes towards sustainable socio-economic development.

**The Private Sector and Development:** This refers to all the entities or institutions whose ultimate aim is to make profit in strengthening the economy of the country. However, a strong belief is held that businesses have an equal responsibility of providing assistance to government to improve the living conditions of everybody. (Ijeoma, 2013).

**Poverty Alleviation:** Mditshwa (2012:18) and Mpengu (2010:23) agree and write that poverty alleviation “refers to the unwanted extent of acute suffering experienced by poor people yet working to lessen the suffering of the poor, meeting their immediate pressing needs with welfare handouts and social security, providing safety nets, dealing with widows, orphans, the elderly and the handicapped”.

**Value-for-money:** The delivery of public goods and service in both partnerships and otherwise must relate to value for money injected. This, in other words implies a combined whole-of-life cycle costs, completion time, risks and quality, in order to meet the predetermined public requirements (Nyagwachi, 2008: 27).

### **1.3 PROBLEM STATEMENT**

Despite the efforts made by the current democratic government to respond to the social and economic needs that the ANC-led government inherited from the apartheid government, the Eastern Cape Municipalities are still faced with immense demand for infrastructure development due to inadequate municipal capabilities in implementing the municipal infrastructure grant projects. The decrease in the National and Provincial government resources, the need for infrastructure reform, capacity deficiency and high costs of maintenance worsen the problem at hand (Binza, 2009: 123; Freund, 2014: 27).

The need for accelerated infrastructure development and quality provision of services, in valour of transforming the social and economic status of the country still remains a serious challenged facing the South African government (Currie, 2005:67). Take for example the Eastern Cape Province informal settlements' state of infrastructure where it is extremely underdeveloped, making it hard for people to access these places. Moving from the above research problem statement, the study primarily aims to assess the impact of the Municipal Infrastructure Grant on the Buffalo City Metropolitan Municipality socio-economic condition, with specific focus to housing projects.

#### **1.3.1 Background to the Research Problem**

The MIG over the years, since its inception, gained attention and landed it to be the first municipal infrastructure development policy by the then Provincial Department of Local Government. The MIG's introduction aimed at addressing the social and rural economic development challenges facing the country at large. In the list, poverty became number one due to the SA's government's commitment to the Millennium Development Goals endorsed during the World Summit (DPLG, 2004: 18).

The intended objective and aims of the MIG policy document in relation to socio-economic development gained a positive response from the people of the Eastern Cape and the rest of the country, especially those in rural areas. The MIG programme aimed at “providing all South Africans with at least a basic level of service by the year 2013 through the provision of grant finance to cover capital cost of basic infrastructure for the poor” said the then Honorable Minister Sydney Mufamadi. The then Honorable MEC for the Department of Rural Development & Agrarian Reform in his Policy Speech argued: “Rural development is understood to be multi-dimensional encompassing local economic development and social development”. This included the provision of services in a most efficient and effective manner in line with the need for social and economic infrastructure development, with full participation of local communities (Integrated Sustainable Rural Development Strategy, 2000:15). Rural Development is still viewed as equivalent to agriculture by some scholars, while other scholars suggest that it is more than just agriculture but covers other areas too (Makhura, 2009:134).

Equally so, under-development and rural development management are still manifest in the most parts of the Eastern Cape Province even though there has been MIG introduction by government in an attempt to fast-tracking rural development and socio-economic development. The outcomes of the development indicators are noted in terms of high unemployment, high poverty levels and under-development of major parts of the Eastern Cape (StatsSA, 2011).

**Table 1.1: Economic Indicator in terms of basic welfare**

<b>UNEMPLOYMENT</b>	<b>1996</b>	<b>2001</b>	<b>2011</b>
Buffalo City Metro	39.0	53.2	34.8
Eastern Cape	48.2	54.3	37.5

*Source: Adapted and modified from Freud (2013:14)*

The leading and negative development indicator is the level of unemployment. Given inadequate economic vibrancy and slow economic growth, unemployment

has been relatively rising, calling for an urgent response towards inclusive and shared growth. According to Freund (2014:11), the most useful method in making comparative figures is the use of municipal figures. The logic behind using municipal figures is probably based on the fact that municipalities reflect the actual status quo as the grass-root level arm of government where policy meets people, in terms of implementation and the impact thereof. Edwards (2011) suggests that “no attempt is made here to consider the way unemployment is calculated”. Between the periods 1996-2001 large increases were registered, which reflected both the decreasing capability and availability of sustainable government jobs, parallel to the shutting down of Bantustan administrations and the loss of jobs created through industrialisation, even agricultural linked jobs (ECSECC, 2014:12). However, the BCMM shows a decrease of unemployment to 34, 8% in 2011 from 53, 2% in 2001.

Even though there are recorded achievements from the previous rural development initiatives in the Eastern Cape Province, however, the province is still under severe pressure for rural economic development. It is against this narrative that the new rural development strategy was proposed as a way to undo the inheritance of discriminatory access to basic services as well as reversing the imbalance in the Eastern Cape economy (Manyisa, 2009:78). The strategy sought to improve the coordination and integration of service provision across all three spheres of government and foster sustainable partnerships. The main focus on the strategy is on community’s livelihoods through land transformation, agrarian reform and other non-farm related rural economy projects. The six pillars of the strategy are: land reform, agricultural development, and food security, on-farm rural economic development, infrastructure development, social guard, institutional instruments, and enabling environment (Manyisa, 2009:79).

## **1.4 RESEARCH QUESTION**

The study addressed the following core question:

1. What is the socio-economic impact of the Municipal Infrastructure Grant programme in Buffalo City Metropolitan Municipality?

## **1.5 RESEARCH OBJECTIVES**

Moving from the above research problem statement and the research question stated above, the primary objectives of this study were:

- To examine the socio-economic impact of the Municipal Infrastructure Grant (MIG) programme in the provision of key basic services in the Buffalo City Metropolitan Municipality;
- To investigate challenges and benefits on the implementation of the selected MIG projects in the Buffalo City Metropolitan Municipality [BCM] and the secondary objectives of the study are:
  - To analyse the socio-economic impact of MIG housing projects in the BCM;
  - To evaluate the existing Municipal Infrastructures Grant framework used by the BCM in implementing the housing projects; and
  - To make recommendations on the new framework that could be used by the municipality.

## **1.6 RESEARCH METHODOLOGY**

This section presents the research methodology that was followed in order to carry out this study. The section discusses the research approach, data collection instrument, data analysis and sampling procedure. This section is intended to provide guidance to the reader on how researcher sought to discover answers and

contextualise the findings by informing the beneficiaries of the study on how data were gathered to validate and substantiate the arguments. Babbie (2011:85) writes that “to every scientific research enquiry there is a research design showing key elements such as data collection, analysis processes and their interrelationships in ensuring that the final research report responds to the initial research questions.” The research parameters of the study are based on the research project, research questions as well as the objectives.

Methodology by its definition and application is much broader than research methods. It is critical in setting up groundwork philosophical research method. According to Yates (2010:162), research methodology means “the study of, or a theory of, the way that research methods are used in undertaking a scientific study.” Overall, it provides the research methods description and analysis, and further highlights resources needed and limitations thereof. In social research there are two methods that are predominantly used in conducting any scientific research. These are: qualitative and quantitative research methods. For the purpose of the research problem and question, the qualitative research method was used but with limited usage of quantitative research only to supplement the qualitative research method limited to descriptive statistics.

### **1.6.1 Qualitative Research Method**

According to Chisaka (2011:11), qualitative research entails eliciting comprehensive information and is proper for the finding of underlying impetuses, ethics, approaches and observations. Bryman (2009) states that “the suffix-quantity connotes measurement which is, in essence, objective and quantifiable.” The researcher thus chose the qualitative research method because the data collection was done through interviews with the identified respondents. Qualitative research questions were used because they were going to assist the researcher to get first-hand information from the participants on how the MIG model is being implemented by the selected Buffalo City Metro Municipality in relation to infrastructure development and socio-economic development. The researcher was

able to spend enough time in the field. This granted him a good opportunity of gaining perspectives on what type of MIG framework needs to be implemented in order to ensure improved socio-economic development in the Buffalo City Metro Municipality.

To gather information from the participants, the researcher made use of semi-structured interviews. These interviews were used as an instrument for the following reasons:

- To obtain detailed information about personal feelings, perceptions and opinions;
- To enable the researcher to observe some non-verbal behaviour in line with the study itself; and
- To allow more detailed questions to be asked, and thus achieve a high response rate.

The interview schedule took twenty (20) to thirty (30) minutes with the respondents at their convenient locations to allow them to engage freely. The interview schedules sought to gauge the respondents' understanding and knowledge of the Municipal Infrastructure Grant and its implementation in relation to municipal development mandate.

### **1.6.2 Document Review**

A literature study and review of available texts such as books, journals in the field of Public Administration and Management, and the Economic Sciences, IDPs, Service Delivery Improvement Budget Plan (SDIBP), The Business Plan for Each MIG project for the metropolitan, GDS, Annual Report of the Metropolitan Municipality, conference proceedings, legislation, dictionaries and other relevant publications such as print media were used to obtain information necessary for the development of a MIG framework.



## **1.7 ETHICAL CONSIDERATION**

As is conventional practice for studies at this level, the researcher first sought permission from DUT's Faculty Research Committee to carry out this study. Once this permission was granted, the university's Ethics Committee was approached in order to secure ethical clearance to conduct the study. With these documents in place, a letter was written to the Buffalo City Metropolitan Municipality requesting permission to conduct research on the MIG project. The request letter clearly stated that information obtained would only be used for the purpose of the study. Consent to that effect was granted (see Appendix section). The researcher adhered to all ethical requirements during the research period.

## **1.8 CHAPTER ORGANISATION**

### **CHAPTER 1: INTRODUCTION AND BACKGROUND**

This chapter has dealt with the scope of the entire study. It has provided the introduction and background to the study, the research problem statement, clarification of terms, research questions and research methodology (in passing) of the study as well as research objectives. Lastly, the chapter presented the chapter outline indicating how the entire project report is organized in this document with the view to prepare the reader's mind-set.

### **CHAPTER 2: THEORY AND NATURE OF MUNICIPAL INFRASTRUCTURE GRANT IN THE LOCAL GOVERNMENT SPHERE**

The purpose of this chapter is to provide a theoretical framework for the implementation of municipal infrastructure development grants within the discipline of Public Administration and Management. It further goes on to trace the public/private partnership as a model for social and rural economic development in administrative applications. Importantly, the chapter discusses various theories

from a scientific management point of view and looks at contemporary approaches in the new public management philosophies.

### **CHAPTER 3: LEGAL FOUNDATIONS OF THE MUNICIPAL INFRASTRUCTURE GRANT**

This chapter contains an in-depth review of the literature from various sources, including: textbooks; journals; theses; conference papers; legislative frameworks, reports and contemporary sources on the theme of the study and specifically on the socio-economic development of the Buffalo City Metro with special emphasis on Municipal Infrastructure Grants projects.

### **CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY**

This chapter explains in detail the research design and methodology employed in the data collection and analysis.

### **CHAPTER 5: DATA PRESENTATION AND ANALYSIS**

This chapter constitutes the presentation and discussion of data collected and analysed in the study. The chapter also includes testing the questions of the study and the study objectives in relation to the data collected.

### **CHAPTER 6: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS AND LIMITATIONS OF THE STUDY**

The purpose of this chapter is to reiterate the research findings and to validate them by reflecting on the findings presented in Chapter 5. This chapter seeks to answer the question: “What is the socio-economic impact of the MIG Projects in the Buffalo City Metro, Eastern Cape Province?”

## CHAPTER 2

### THEORY AND NATURE OF MUNICIPAL INFRASTRUCTURE GRANT IN THE LOCAL GOVERNMENT SPHERE

#### 2.1 INTRODUCTION

This chapter describes the theories, nature and place of Municipal Infrastructure Grant in the discipline of Public Administration and Management. It also explains its existence in order to place the study within a broader context of the relevant literature in this field. Consequently, the chapter locates and defines concepts, theories, and approaches which shape the MIG ideology in the context of the public administration discipline and its application in the public sector. It goes on to trace and place MIG as a potential model for sustainable local economic development growth and improvement of general welfare of citizens at a metropolitan level.

In social science, research studies are primarily dependent on theory for proper organisation as any academic study would assume a theoretical concept that it would be shaped by. This study takes into account theories behind the MIG and the systematic understanding of MIG in relation to social and economic impact in the Buffalo City Metropolitan Municipality (Andoh, 2012).

Kaplan (in Binza, 2009: 51) states that “theory includes a set of primitive terms, definitions and axioms” from which propositions can be inferred and proposed. It is theory that organises these logically and in a consistent framework so that they can be interpreted and have disciplinary relevance. These propositions should be logically consistent and be interpreted”. The author suggests four specific meanings of theory. Three will be elucidated as appropriate for this study. They are as follows:

- Theory is a collection of derived theorems tested in the process of predicting events from observed conditions.

- Theory is an activity that aims at subjective understanding, and that implies an intuitive organization of perception and;
- Theory is inherent in the attempt to gain intuitive understanding of social behavior, institutions, political systems, and cultures. In this context one need to know how best to marshal factual material in such a way that the reader who views the evidence through the metaphor, concepts and definitions of which the theory is constructed will have an experience of understanding (Kaplan, 1957:78).

For Welman and Kruger (2001:11) theory is “part of the edifice of science”. Legitimate research in any academic field follows a group of logical, related statements that represent a phenomenon and include one or more hypotheses. It is clear that for any scientific enquiry in the social sciences, theory serves as the basis for the enquiry as the process of enquiry and discovery is not always a discovering of a new phenomenon, but also needs to demonstrate a logical approach to the enquiry itself.

The MIG concept has its foundations in the discipline and theories of Public Administration and Management. The main guiding principles of the practice of Public Administration are social, economic, effectiveness, efficiency and integration. In this study the applicable theories for usage are the process theory, the systematic theory and public choice theory because these provide the framework for analysing the socio-economic impact of the MIG programme in the BCM metropolitan region. Process, systematic and public choice theories have their origins in classical and contemporary management theories (Smit, Cronje, Brevis and Vrba, 2007:31). In the discipline of Public Administration and Management, actual performance and impact management is an established area of study and its application continues to multiply into other functional areas of an institution and therefore attract more refined measures and extension in focus.

The above theories are significant to this study because public and private sectors in infrastructure development partnership structures share a common goal and objectives which would ultimately benefit the intended beneficiaries. Therefore, proper and effective management of MIG relates to performance management by the public sector and it must yield social and economic benefits.

This study sought to investigate and explain the MIG phenomena with an ultimate objective of proposing new knowledge of the phenomenon which can influence its practice. Andoh (2012) notes that management theories are separated into two approaches, namely classical and contemporary. This study is about socio-economic impact assessment of the MIG implementation by the Buffalo City Metropolitan Municipalities in the Eastern Cape and how the MIG has benefited the metro in improving the socio and economic conditions in its jurisdiction.

This chapter is divided into a three-pronged discussion sections in that it firstly provides a brief discussion of the concepts: MIG, Public Administration and Management, development, rural development, and sustainable development so as to describe various subjects and ideas used to combine factors of knowledge for the purposes of this study. Equally so, the tools used to acquire data in the social sciences and this study are delineated (Andoh, 2012:27). Lastly, the discussion of theoretical approaches relevant to MIG and development in public administration is the primary focus. Key theories in Public Administration and Management are discussed as the basis for this study and alongside with specific approaches to development.

## **2.2 THE CONCEPTS: MUNICIPAL INFRASTRUCTURE GRANT, PUBLIC ADMINISTRATION AND MANAGEMENT**

The concept MIG originates in public administration and operates within the context of both traditional and modern public administration and management (Andoh, 2012: 36). The ultimate purpose of the latter is infrastructure development and sustainable development in the public sphere of governing the country's

resources. The academic body of knowledge agrees on general and specific terms in that the practice of public administration is as old as government itself. However, as a scientific academic discipline Infrastructure Development came into existence after an official article in 1887 by Woodrow Wilson who argued towards a rationale for public administration to be aligned as an academic discipline and professional specialty. Before embarking on an in-depth description of public administration, public management and MIG concepts relevant to the study are defined and discussed for proper contextual application to this study.

### **Public Administration and Management: The Practice**

De Waldt and Helmbold (1996:1) in an attempt to provide clarity state that there is a difference between the two public administration phenomenon namely; Public Administration and public administration. They believe that “Public Administration refers to the technical discipline as a field of study” (ibid) or science “of administrative processes, governmental activities and interdependent variables, whilst public administration refers to a practical phenomenon” or the actual rendering of public constitutional services to the community by a service provider. Ijeoma (2013:1) concurs with the latter from a different angle and argues that public administration is basically about the management of government affairs to realize the common good of/or and for the society, which therefore suggests it to be a systematic implementation of government policies.

The practice and science of public administration has been written on prolifically. Shafrits and Hyde (2010) note that administration is the most obvious element of government because it is government in action: the executive, the operative, the most visible side, and is as old as government itself. The above contentions are not without scrutiny and attention from other writers and scholars in finding a systematic thought around the study of administration is required.

The concept of administration in social sciences is generally linked with the public sector. According to Baxter (1991:99) public administration is mostly used when

referring to the “machinery of executive government ... or as reference to the executive branch of government...”. However, administration refers to the highest levels of management which are responsible for formulating and implementing government policy. For Goodnow (in Shafrits & Hyde, 2010: 16) administration cannot be entirely separated from politics. For them, although the functions of these spheres are different, they are closely interlinked. These authors suggest that administration is both applicable to public and private sectors. However, for the purpose of this study a more generic view of administration is advocated.

With strong contentions, Stroh and Van der Westhuizen (in Sedasi, 2008: 58) aver that “in terms of such vies, it is recognized that administration comprises specific generic administrative functions/activities, namely policy determination and execution, organizing, financing, personnel provision and utilization, work procedures and methods, and control, and that all members of the institution are responsible for these.”. It is therefore clear that administration includes administering all the assigned functions which constitute the organisation’s scope of operation leading to the realisation of the goals and pre-determined objectives of the organisation. Additionally, administration can be viewed as an engine of combined activities and tasks towards a desired end.

Botes, Brynard, Fourie and Roux (1998: 257), from a scientific basis, write that Public Administration, as a discipline, is mainly about government’s policy implementation. This refers to all spheres and levels of government, such as national, provincial and local government. Having said that, the policy implementation of government by government is an actual reflection of a problem which previously or currently exists, yet to be addressed. The following details concepts in public administration:

**Public Management:** Similar to the administration concept, management has been mostly associated with private sector as a key strategic function for business stability and continuity. Botes, Brynard, Fourie & Roux (1998: 354) believe that

management is one of the six aspects that the traditional administrative model lacks. Management can be clearly differentiated and studied as a component of administration. What needs to be now determined is the extent to which various management techniques can be applied in administration.

The above authors share a strong view that management is a leadership phenomenon which is mostly found in all forms of industrial and commercial institutions. To that effect, it has become a prerequisite that in any institutional action there must be a leader who would make decisions, coordinate actions, evaluate results and take most corrective measures or actions on behalf of the institution's interest (Botes *et.al*, 1998:354). Now, the contentions raised in the former part of this section prompt the question as to whether private and public management can really be differentiated as very little has been written regarding public management; that is, management actions found in public institutions. Botes *et.al*, (1998:354) identify the following differences between private and public management:

**Table 2.1** Difference between Private and Public Management

Private Business Management	Public-Management
<ul style="list-style-type: none"> <li>• Decisions on behalf of shareholders are aimed at maximising profit</li> <li>• Uses own capital or the capital of shareholders</li> <li>• Budgets must indicate ever growing profits.</li> <li>• Must comply with the stipulations of law.</li> <li>• Decisions are dictated by the market.</li> </ul>	<ul style="list-style-type: none"> <li>• Decisions are aimed at improving public welfare of the politically aware community</li> <li>• Must use tax funds to the advantage of the public</li> <li>• Budgets must show balanced spending.</li> <li>• Must apply the stipulations of the law.</li> <li>• Decisions are directed by the chief political authority.</li> </ul>

**Sourced: (Botes *et.al*, 1998:355).**

Table 2.1 provides a background to the concept of management from both a private and public perspective, and against its practice in society. The identified differences in the table provide a clear separation of functions in that the practice of management (of resources) in the private sector, is more dependent on



shareholder's needs and aspirations, and to that effect, an inclusive strategy becomes key for profit-oriented operations; whilst on the other hand, the practice of management in the public sector is dependent on legal requirements of government institutions, establishment mandates, and its constituency.

Therefore, it can be stated that management is broadly the utilization of an organisation's resources and members towards the achievement of long-term intended results (Straussman, 1985: 77). Organisations performing a periodic detailed organisational analysis of a company can be a useful way for management to identify problems or inefficiencies that have arisen, but have not yet been addressed. Once this has been done, then strategies for dealing with them can be developed. In the same context, management in government or public institutions is perceived as an aspect of public administration and can only take place if the administrative functions are carried out. Pollitt (1990:3-4) agrees that management is a critical and exclusive organisational competency and functions in resource planning, implementation, monitoring and measuring the results versus the desired standards in production. The administrative activity in government institutions is largely associated and perceived as being part of the overall scope and integral to the nature of the public sector as opposed to the actual management of the public sector (metropolitan government and government in general). Since it is so closely aligned with the people it is meant to serve, it is clear as to why it forms part of the social sciences (Fox, Schwella & Wissink, 1991; Botes et.al., 1998: 257). To a considerable extent, although public management is generally viewed as a new phenomenon, its importance cannot be over-emphasized because management still has the overarching mandate to find the best methods for resource allocation and utilisation in order for the government to achieve the pre-determined objectives and strategic goals

In modern South Africa, the use of different developmental techniques and methods by metropolitan governments for enhanced service delivery is provided for in the legislation and policy framework documents such as the *White Paper on*

*Transforming the Public Service* (RSA, 1997). This is in line with the new democratic government's mandate to redress the unequal government spending in the past. The primary basis for the MIG introduction and management emanates from a selective and discriminative development of infrastructure which was limited to certain geographic areas of the former South Africa. To that effect, many rural areas, townships and informal settlements were neglected in terms of fiscal spending leaving a substantial economic gap and creating other social ills.

In order to rebuild and transform the status quo, the African National Congress (RSA, 1994) exerted this policy framework to deal with historic imbalances and exert a specific focus on infrastructure development in the following ways:

- To create an enabling environment for investment
- To be a catalyst for economic growth
- To promote industrial development
- To promote local rural economic development.

The *White Paper on Transforming the Public Sector* (RSA, 1997) led to the development and introduction of the Reconstruction and Development Programme (RDP), whose details are provided in Chapter 3. All these achievements by the ANC government as part of rebuilding South Africa towards a more democratic and developmental country were made possible through sticking to basic principles of public administration and management which govern the way in which resources are administered and managed. Cox, Buck and Morgan (2011: 12) opine that the development of public administration practice and academic theories play a fundamental role in the improvement of government performance.

With the above contentions from different authors and scholars, the researcher can deduce and put into perspective that public administration and management remain the fundamental phenomenon for a progressive public sector in order to promptly respond to the needs of the country at large. In fact, it is impossible for

government alone to speedily respond to the country's socio-economic challenges. To achieve this goal requires combined efforts from all the stakeholders starting from the private sector, third sector (Non-Governmental Organisations, Community Based Organisations etc.) and the civil society to rally behind the country's developmental agenda.

### **2.3 THEORIES OF PUBLIC ADMINISTRATION AND MANAGEMENT**

The aim of providing theories of Public Administration and Management in this study is basically to locate this research project within Public Administration and its theories. The MIG phenomena would find full expression for better management in relation to those variables which form part of the wider scope of MIG implementation in the metropolitan government. Willing (2001:9) states that "without a theory there is nothing to research". In the same context, Kotze and Van Wyk (1986) concur that it is the theoretical relationships that legitimate research through it being empirically scientific. Kaplan and Norton (1992) and Binza (2012:51) agree, albeit from differing angles, that a theory "includes a set of primitive terms, definitions and axioms. From this base, systematic propositions are derived. These propositions should be logically consistent and be interpreted". Theory serves as the basis for any scientific enquiry, which is also part of the continuous process of providing contributions to a body of knowledge. Therefore, the ultimate reasoning of bring up the relevant public administration and management theories in this study is have basic guiding parameters for the research to be scientific because without a clear understanding of the nature and place of MIG in public administration and management would leave the study with unwanted academic gaps.

Public Administration theory is linked to organisational theory. Smit and Cronje (2007:30-51) identify different administrative theories, naturally split between classical and contemporary theories and briefly detailed below. Although the two classified theories are not directly linked to the study, these are used to provide primary explanatory principles of effectiveness and efficiency in modern Public

Administration and Management within which the MIG management is examined and evaluated. For Bailey (1968:128-139), the objective of public administration theory is to “draw together the insights of the humanities and validated propositions of social and behavioural sciences and to apply these insights and propositions to the task of improving the processes of government aimed at achieving politically legitimized goals by constitutionally mandated means.” With that in mind, the administrative theories are discussed accordingly to better find the place of MIG in the practice of Public Administration.

### **2.3.1 Classical Organisation Theory**

This theory focuses on the assumption that administration is universal with structural constructs, implying universal application regardless of the circumstances and context, and subject to similar challenges. To put this in context, classical organisation theory has its origins in the West at the end of the eighteenth century and beginning of the nineteenth century when the Industrial Revolution had reached its height and efficiency and economy became the watchwords of industrial productivity. The inherent structural biasness of classical organisation theory rose to streamline productivity and capitalize on unequal power relations between people (Chakrabarty & Chand, 2012:49). What strengthens the classical organisation theory are four key pillars which are: division of labour, the scalar and functional processes, structure, and span of control (Chakrabarty & Chand, 2012:51).

The scholars and champions of this theory such as Henry Fayol, Luther Gullick, Lyndall Urwick, and J.D. Mooney among others made a significant contribution during the early 1920s where they interpreted administration from a management point of view, focusing on five key elements of administration: planning, organising, command, coordination, and control. These administrative elements are equally applicable to Municipal Infrastructure development arrangements because what transpires in the adoption of MIG emanates from a very important element, namely planning, which takes place at all levels of an institution with top management

taking this responsibility. Planning forms the basis of all other management functions, as it guides the resource allocation and output activities of an institution (Smit & Cronje, 1992:91).

Classical organisation theory over the years has come under severe criticism for over-emphasising the setting up of institutional structures and ignoring other fundamental human elements of an organisation. Consequently, other scholars regarded the classicists as being preoccupied with the formal structural part of the organisation at the extreme cost of human factors (Chakrabarty & Chand, 2012:53). Despite this oversight classical organisation theory remains relevant in its application to business outcomes and thus formed the bedrock for modern organisation theories (Denhardt & Denhardt, 2007:77) remaining a strong pillar for effective performance management.

### **2.3.2 The Scientific Management Theory**

Chakrabarty and Chand (2012:53) consider the origin of scientific management theory to be a major breakthrough from industrial management. With the expansion and consolidation of larger-scale industries during the Industrial Revolution, there was a resultant crisis of management which was exacerbated by the First World War. A scarcity of resources, competition, and complexity in managing business grew up relatively and that necessitated an efficient science of management. To that end, the scientific management theory became the outcome of such great need.

Taylor (Nigro & Nigro, 1990) believed that in every job there was one best way to execute any given task and the outcome for efficiency was vested in systematic and orderly management; this being the key responsibility of the manager. Taylor and his followers in the scientific management school summarised the major objectives of scientific management theory as follows:

- To gauge industrial tendencies and the market, in order to regularise operations in a manner which will conserve the investment, sustain the enterprise as an employing agency, and assure continuous operations and employment.
- To assure the employee, not only of continuous operation and employment by correct gauging of the market, but also assure by planned and balance operations, a continuous earning opportunity while on the payroll;
- To develop self-confidence and self-respect among workers through opportunity afforded for understanding of one's own work especially, and of plans and methods of work generally;
- To eliminate factors of the environment which are irritating and the cause of frictions, and to promote common understanding, tolerance and the spirit of teamwork (Sapru, 1996; Chakrabarty & Chand, 2012:56).

Taylor's theory responded and reacted to the disorder he observed and found in many organisations during his time. He was committed to improving the way things were done. Taylor formulated the following basic management principles:

**Time study:** productivity should be measured in terms of duration and standard time should be laid down for each task;

**Performance:** payment should be related to work delivered, and work should be related to ability of the worker;

**Planning methods of work:** managers should be trained in the scientific principles of management and control and should apply these principles;

**Functional management:** the organisation should be designed in such a way as to co-ordinate the various activities of the industry effectively (Taylor, 1947:37; George, 1968:91; Villiers in Andoh, 2012:33).

Taylor's basic management principles clearly show that the ultimate aim and focus was a productive and effective assembly line. This is because input or raw material processing on the assembly line is measured as output or as finished product in

the industrial sector. Smit and Cronje (2007) states that focusing on individual worker performance management through performance appraisal, yet paying lesser attention on the environmental factors of the institutions hinders the proper application of the industrial performance model in public administration and management.

Furthermore, the scientific management theory's advantage is in its ability to focus on efficiency and economy, as well as skilling of personnel to match up within the production systems approach and value chain. It would be illogical to expect larger amounts of outputs with less skilled workmen (Shafritz & Hyde, 2008: 36). It is a principle under scientific management which dictates that work be divided into divisions in order to enable better understanding of the scope of work by each employee and also help the managers to equally deliver on their performance management requirements. Within the parameters of scientific management theory, a process-oriented approach is dominant so as to ensure that work is completed without delays. Applicably so, administration is comprised of processes which take place where people gather with a specific intention (Cloete, 1986: 4). This implies a scientific process which is the organised method towards a pre-determined objective.

The above public administration and management theories provide a very important linkage with the study in the sense that, the MIG projects as located can effectively and efficiently be implemented on the basis of these theories. This is because these theories share commonalities that relate to performance management for better results through proper institutional arrangements, putting relevant resources for the realisation of the pre-determined goal, which in this case is socio-economic development. Secondly, these theories link MIG directly with project management principles where time management and planning are fundamentals for a better finish. On the other side of the coin is knowledge and understanding of the planned project for easy implementation because good strategy or plan does not necessarily mean good implementation.

Importantly, productiveness and functionality remain on the list of basic management principles by Taylor in that MIG is a government's approach whose basic business principles relates to the private sector's which brings structured value chain strategies in the implementation. At the same it is evident that government's fiscal is under severe pressure due to various factors emanating from social and economic spheres, and that alone puts the public sector under tremendous pressure to get into partnerships with the private sector in the main and also the third sector. For example, the state is faced with a high demand of providing free basic service to the University students and the reality of that happening requires partnership with the private sector said Minister Dr. Blade Nzimande during a Parliament briefing session in October 2015. Overall, the application of scientific management theory in the modern or new public administration and management has a potential of building a capable state that is able to deliver its constitutional mandate.

In the same context, public administration and management theories directly talk to the practice of public administration and management by the public sector. Equally so, the MIG projects are undertaken within the public administration environment which then suggests that theories are there to guide the actual contextualization of the public administration and management and its environment.

Public administration and management do not happen in a vacuum but in a specific environment. Fox, Schwella and Wissink (1991:10) state that environment is an important variable in the management of complex organisation. Public administration and management consist of specific structured processes with a combined body of output activities that are executed beyond the organisation (Robbins, 1980:19-20). With that in mind, a view is maintained that public administration and management activities should be as the result of public involvement in areas, such as nature and level of service required, budget planning



in line with government mandatory priorities, and during the actual project planning in order to have community evidence based planning with better impact than as an isolated exercise.

### **2.3.3 Bureaucratic Theory**

In history, there has never been an organisation that existed outside bureaucracy because every collective effort demands some form of bureaucratic formation or structure. Bureaucratic governance emanates from an inescapable and omnipresent phenomenon of modern organisation and is drawn on the basis of its perceived qualities of precision, speed, unambiguity, continuity, efficiency, regularity, consistency, economy, reduction of friction and material and personal costs, unity, strict subordination, and so forth (Chakrabarty & Chand, 2012: 60). However, the opposite is often true. Bureaucracy can often be seen as hobbling efficiency of the organisation (Albrow, in Chakrabarty & Chand, 2012: 60). Despite having many critics, Weber supported his theory of bureaucracy by introducing the following characteristics:

- Existence of clear hierarchy of officials;
- The functions of the officials are clearly specified;
- Officials are appointed on the basis of a contract;
- The staff members are personally free, observing only the impersonal duties of their offices;
- They are selected on the basis of a professional qualification, ideally substantiated by a diploma gained through examination;
- They have money salary, and usually pension rights;
- The official's post is his sole or major occupation; and
- He is subject to a unified control and disciplinary system (Henderson & Parsons, 1999:18).

Bureaucracy in the modern public administration and management still has its manifestations in various ways which suggest that it exists as part of most

organisations, with specific reference to government and other state organs. To that end the current environment has grown to require structured methods, systems and controls which would guide the organisation towards the realisation of its goals and objectives. Weber's characteristics are thus echoed throughout this theory, its application, and how it relates to performance improvements and management as a model. Bureaucracy involves a process approach to performance management and compliance with all relevant and specific statutory policy requirements. This can be helpful in measuring and determining the impact of a service provision programme to the intended community beneficiaries (Henry, 2010:153). This theory takes into account the public choice theory which is generally defined as application of economics to the study of political processes and institutions. Public Choice is based on key elements: methodological individualism and rational choice which is drawn from the ideological support from the New Right philosophy (Niskanen, 1971:73). These contentions imply that the bureaucracy theory is a phenomenon which will still be in existence in many years to come especially in the public administration and management arena.

#### **2.3.4 Decision-Making Theory**

Decision-making theory equates to administration simply because every stage of the organisation requires a decision to be made and as such, can be considered as fundamental steps in the process of policy formulation. The decision-making approach has three approaches of decision-making: the bargaining approach, the participative approach, and public-choice approach. Although decision-making may neither be a single-shot job nor a single person's task, it is a series of steps which include providing feedback, follow-up actions and other considerable role-players. The authors go on to provide a sequence in decision-making steps:

1. Identification of or locating the problem;
2. Getting related information and data and figuring out tentative options;
3. Weighing the tentative steps by seeking opinion of the subordinates;
4. Zeroing in on a particular option;

5. Evaluate the efficacy of the decision reached at; and
6. Getting the feedback and make necessary modifications if the situation so demands (Slocum, 1996: 41; Chakrabarty & Chand, 2012:82).

It is against this brief of the decision-making process that decision-making can be seen to not be a single easy task. This is mainly because all decisions in an organisation have an effect on the resources of the organisation, such as human, financial and so forth. That is why this requires an informed leadership of both internal and external environmental factors as discussed previously, because any decision has a potential to directly or indirectly affect the organisation's operations which could jeopardize performance.

### **2.3.5 Contemporary Management Theories**

Despite a general classification of the contemporary management theories within the New Public Management (NPM) theory and public choice theory, different views and criticisms exist. The NPM is a unique phenomenon whose application uniquely responds to individual countries' environmental setup and at the same time is focused on effective and efficient performance management. In the same context various scholars and authors of Public Administration and Management, and Economics have widely labelled contemporary management approaches along Public Choice Theory, Governance Theory, and the New Public Management (Cox, Buck & Morgan, 2011:19-20; Stocker, 1992:85). Basically this management approach has relevant characteristics drawn from private sector management perspective which is mark-driven and aimed at improving the management of service delivery programmes through policy development and implementation.

Public Choice theory provides a basis and insight on areas where public decisions are taken; and considers the analysis of the constitutional rules that guide the collective public decision-making process. These rules are preceded by political activities. Buchanan and Tullock (1962) write that public choice theory is critical in

its analysis on government mechanisms. The authors argue that some or most scholars of economics and politics believe intrinsically that people are motivated by selfish interests as to what they can get out of the relationship.

Public choice theory can be traced back to the early 1950s as a subfield of Public Administration and Economics which focused on dealing with firstly the study of taxation and public spending, as well as the challenges that hindered service provision and (rural) economic development. This relates to the bureaucratic elements which are so prevalent in the current public sector, to the extent that the means to obtain income in a market cannot serve as an objective guide to the expenditure and at the same time prolonging the internal processes which are performance and service delivery related (Nigro & Nigro, 1990; Shaw, 1996; Gwartney & Stroup, 1992). Generally, there has been a constant non-competitiveness and monopolistic ride enjoyed by public organisations on economic markets and even in the service delivery space. The possibility of improving the social and rural economic conditions through partnerships requires a collaborative effort from both the public and private sectors (Niskanen, 1971). A typical example is where the nature of goods and services by bureaus get finance from government, but where the actual provision of these services is outsourced or contracted to the private sector. That alone demonstrates a capacity deficiency in the public sector in terms of the smart utilisation of government resources. The White Paper on Improving the Public Sector (RSA, 1997) is clear in its position regarding re-positioning, refocusing and transforming the public sector into a capable state that is able to deliver on its Constitutional mandate with clear measurable performance indicators and targets on all major developmental projects. In relation to a view maintained by the Public Administration and Economics Scholars, Public Choice.

Theory is mostly suitable for policy-makers and decision makers who have an immense responsibility of taking informed decision on behalf of their constituency yet making firm reflections on the content of the policy documents. Although this

theory was used by the United States of America (USA) government which emanated from the capital ideologists, the application of this theory is still relevant as a manner of guiding government's service delivery planning and implementation while creating a conducive environment for partnerships (Howlet & Ramesh, 2003; Williams, 2003).

Again, in the context of this study, Public Choice Theory draws from these contentions and thus remains relevant for the development of a Municipal Infrastructure development implementation framework (Starr, 1988). For various reasons but limited to two for the benefit of this study, public choice theory makes provisions for a thorough determination and examination of policy makers' actions (Shaw, 1996; Meltzer & Richard, 1981). This simply implies that policy makers, such as legislatures, councilors are expected to reflect the needs, aspirations and interests of the public in their policy development and link these explicitly with realistic available resources to allow the prioritization of necessary areas.

In the same context, the Constitution of the Republic of South Africa (RSA, 1996) mandates accountability on state resources. The political leaders and appointed office bearers have to adhere to the provisions outlined in the Constitution as they pursue the provision of the public interests and needs. This, however, is not always reciprocated by those in office. With high levels of corruption and fraud in South Africa, social and economic development is compromised, especially at the grassroots level where the neediest of the population are. In addition, Arrow (1951) note that Public Choice Theory is easily merged with other theories, such as game theory, "which public choice theoreticians use to understand how political conflicts are resolved and the application of relevant mathematical models of voting strategies also called social choice". It can therefore be deduced and argued that good governance and proper implementable MIG frameworks can yield positive results for the metropolitan governments and their constituents.

Supporters of the NPM have consistently made a firm argument and requested the application of a private sector management style and performance management system that should be adopted by the public sector officials in order to improve its management practices and methods. These management perspectives of the NPM focus on the measurement of performance systems and that public institutions focus on outcomes during strategic planning rather than looking at inputs as a measurement for efficiency and effectiveness (Williams, 2004; Cox, Buck & Morgan, 2011: 7). Accordingly, classical and contemporary theories of NPM do not impose an assumption that efficiency and effectiveness are all more critical factors than the notion of improving performance (Chachter, 2007: 734). Despite shared values, contemporary management theories do not share identical perspective (Cox et al, 2011). Reforming and reinventing government places an emphasis on economic growth, performance management, efficiency and reduction of wasteful expenditures and champions the adoption of private sector style management practices by public institutions. According to Cox et al (2010:57) the NPM approach borrows the element of programme evaluation from earlier theories in its search for programme and managerial effectiveness in the public sector.

Thus, contemporary management theories provide clear distinction between the New Public Management and Public Choice theories. To put these phenomena in the perspective of the study based on the above discussion, there have been talks and discussions around government tables about professionalisation of the public sector. This implies that the public sector with the new public management would move away from the traditional management ways but extract good practices from the private sector in order to better deliver on its mandate. One of the key management factors that has been insufficient in government is leadership. New public management theory cannot be separated from the public choice theory for one common reason that public choice places emphasis on decision making based on the needs of the people and the fact that resources should be allocated on principle of where they are needed most. It is against the latter that government

opted for partnerships because for government to re-invent the public sector wholly would require a serious transformation and restructuring and redefining.

The following section introduces and details the key complementary developmental phases in public management.

## **2.4 DEVELOPMENT MANAGEMENT PHASES**

Firstly, what characterises the development of management as a discipline and activity are certain phases of development: the scientific management phase, the behavioural or people-oriented phase, and the contingency theory phase. Although the in-depth analysis of each phase is beyond the scope of this study, it is nonetheless relevant and important to have a brief focus on the most crucial elements of each phase. These phases are important for this study in a sense that they provide the approach to the application of the above theories but focus on the developmental side and management thereof (Van De Waldt & Du Toit, 2011:58)

### **2.4.1 The Scientific Management Phase**

As discussed earlier, Taylor (1978) suggested in his 1911 work entitled: “The Principles of Scientific Management”, a framework for scientific management. At this time, the Industrial Revolution had introduced mass production which resulted in an increased demand for goods and bottlenecks emerged strongly with these other factors, namely:

- The urgent need for greater efficiency,
- The unsatisfactory way in which affairs were administered,
- Uncertainty regarding the continued availability of sufficient national resources and labour to satisfy the demand for manufactured goods.

Consistent with these factors as the result of the Industrial Revolution, the Framework introduced by Taylor in 1911 incorporated the following principles:

- Finding the single best way to carry out each task to ensure the best results,
- Selecting personnel scientifically,
- Remunerating each worker in direct proportion to what he/she has produced, instead of a basic remuneration, and
- Distinguishing clearly between the manager's task and the worker's task.

Based on the above principles and contentions thereof, the scientific management phase focused on the improvement of productivity not public administration (Taylor, 1947; George, 1968). This clearly emphasizes performance management with measurable outputs at the end. Smit et al. (2007), however, argue that through the singling out of one's work performance and focusing only on internal processes and excluding the environmental factors limit the applicability of the industrial performance management in public administration and management. Basically, MIG projects require extensive management of resources along with the scanning of environmental factors. In the same context, the management of MIG projects should be measured in terms of the pre-determined founding objectives within the parameters of the project management approach to ensure it meets the scientific management processes. Equally so, performance management of the MIG projects links directly with effective planning, budgeting, and the implementation of all socio-economic developmental pillars which in turn respond to a citizen's needs. The scientific management phase focuses on rewarding well performing workers while improving productivity. The following developmental management phase has a different angle to performance management within the organisation or department in modern terms.

#### **2.4.2 The Situation or contingency theory phase**

The introduction of the second phase (people-oriented) refinements and development in production processes and provisioning of services improved alongside with diversity, complexity and job specialization. That gave rise to the development of the contingency theory phase during the late 1950s due to the



realization that the natures of a particular environment and circumstances have a determining influence on a manager's management and productivity. This phase mainly considers environment and circumstance elements and their influence on management style. With these three aforementioned development processes of management theories it can therefore be brought to the fore that logical, systematic and focused planning and implementation are key to improve organisational performance. MIG projects are no exception in this because of the nature of the partnership which seeks to fast-track efficient and effective service delivery. This means that the MIG objectives must be achieved as economically as possible (Benington & Moore, 2011).

## **2.5 MANAGEMENT APPROACHES**

According to Fox, Schwella and Wissink (1991) the scope and nature of public administration as an activity in government institutions is wider than that of management. Management is considered an aspect of public administration, which implies that management cannot be possible unless the results or outputs of public administrators enable the management of the government institutions to do so. And at the same time, public managers must have a clear policy pronouncement with specific objectives of the department or institution concerned before they can fulfil their managerial functions. In order for managers to exercise their managerial functions they need to use processes of public administration, such as setting up a structured approach and frameworks for the whole institution to function optimally. Be that as it may, management approaches are critical because public administration and management have always been about the art and science of human behaviour and interaction.

**Multidisciplinary approach:** Public administration cannot be studied out of context and as such, any discussion becomes interdisciplinary and multidisciplinary (Du Toit & Van Der Waldt, 1999). This implies that the study of Public Administration as a discipline is a continued result of other related disciplines, theories and concepts which continue to enrich the content of the. This

is because the environment for both private and public administration is not constant but ever changing and that requires collaborative enquires and focused theories.

It can thus be concluded from the above discussion on various disciplines that Public Administration should be studied in conjunction with other disciplines and not in isolation. The continuous discovery of theories within the discipline is essential for further influence on the relevance of Public Administration in practiced.

Subsequently, both the administrative theories and development theories which have been closely discussed in this chapter, and what can be drawn from them in relation to the research study is that there is common language found which talks to these important factors; efficiency, effectiveness, leadership, systems approach, administrative order and many others but what becomes even more important is the common drive towards the use of the New Public Management and public choice within the contemporary management theories for evidence-based approach. In addition, with the above contentions MIG implementation has a huge space within the development theories of the Public Administration and Management. In the modern South African metropolitan governments, it can be learnt that MIG projects cannot be successful outside the aforementioned theories. This is because issues such as decision-making, public interests, and metropolitan responsibility to deliver and provide sustainable services to its community whilst taking into account the needs and aspiration of all stakeholders need to be considered. The application of Public Administration development theories in the implementation of MIG projects guarantee efficiency and effectiveness given all other factors remain unchanged. For any MIG procurement the public sector needs to be specific and clear of what is to be done, and the expected outcomes thereof.

Therefore, it was important to locate MIG within the Public Administration and Management discipline in the sense that it firms the fundamental basis of the

environment within which the MIG approach is exercised or implemented because it would not take place in the air but in a specific environment [and in this case it is the metropolitan government environment].

## **2.6 CHAPTER SUMMARY**

A conceptualisation of Municipal Infrastructure Grant management in metropolitan government institutions helps in the actual process of pursuing the pre-determined objectives of the MIG development and better understanding of specific means to achieve these basic MIG objectives. In the same context, conceptualisation is critical to avoid possible differences in meanings attached to the Public-Private Partnership framework which is an alternative approach or tool for improved service delivery in the context of public institutions.

The measurement of municipal MIG performance in relation to socio-economic development demands has been a very important instrument in influencing policies in recent history of the practice and discipline of Public Administration and Management. Consistent with administrative and development theories discussed above, management of the performance of MIG projects either for improved efficiency or policy intervention is dependent upon availability of information about the quality and quantity of services produced and cost of production. This is equally important to relate MIG performance management with pure public management within the context of the new public management theory.

With the New Public Management approach, managerial efficiency is fundamental for the public sector and this debate is based on the view that the private sector corporate management practices are naturally rated higher to those of the public sector, and that is why government now goes with an option of partnering with the private sector. In line with the same view, for some reasons decision-making process in the public sector is much slower and less certain to actually decide when compared with decision-making process in the private sector. A number of researchers within the discipline of Public Administration and Management have

made meaningful contribution and advocacy for municipal infrastructure development as an alternative strategy for local economic development which ultimately would have a meaningful beneficiation to the society at large in fight against poverty, unemployment and inequality.

The contemporary structure of the public institutions can be associated to the classical method to the management of the organisation, which extended from late nineteenth (19<sup>th</sup>) century to the early nineteen twenties (1920s). The great popular contributors to this view-approach include the likes of Fredrick Taylor whose focus was based on productiveness of individual worker, whilst Henri Fayol focused on how large organisation manage processes, and Max Weber preoccupied himself with the idea of organisational structuring. In context, the main objective of the public sector is to promote the general welfare of its populace. However, in this chapter provided key philosophies that talk to public service provision. These include amongst others, the theory of public interest and competitive theory of private sector and public institutions.

Although the private sector is not monumental in nature since it is comprised of organisations/institutions of different dimensions, complications and interests, for the purposes of this study it is considered as the entirety of organisations that are external from the public sector domain and involved in activities that related to profit reasoning. This delineation is essential simple because there are some organisations that fall outside the public sector yet they are little, if any, significance to the context of public-private partnerships in this study. Whilst the public sector mainly focuses on serving its citizens and creating conducive environment for the private sector to operate efficiently through sound decision making. Public institutions and their functional activities use resources which are ring-fenced by the Constitution of the Republic of South Africa, and are inputs whose value for money is measured in term so of cost and actual output amongst others. Therefore, conceptualisation of these two sectors is of utmost relevance in that both parties would have clear basis for engaging in partnership so that each still

responds to its founding principles. Such clarification normally results in benefits to consumers or constituency and therefore MIG should be encouraged to work towards the realisation of a responsive public sector to the needs of the community. Chapter 3 focuses on the legal foundations of MIG.

## CHAPTER 3

### LEGAL FOUNDATIONS OF THE MUNICIPAL INFRASTRUCTURE GRANT (MIG).

#### 3.1 INTRODUCTION

In 1994, on the 27<sup>th</sup> April, South Africa gained its first ever democratic status after the apartheid regime collapsed. The process unfolded by offering everyone the right to vote democratically for their own preferred democratic government influenced by a need for socio-economic transformation. The African National Congress which assumed power after the democratic elections had a mandate of turning around the economy that was on deficit into a positive and inclusive economy. The new democracy called for collective efforts through a participative approach of all South African citizens in setting up the agenda for the new democratic government. Decision-making had to be a collective effort in order to respond to the needs of the country. According to Cloete (1996:8) and Ijeoma (2013:379), democracy is often defined by voters linked with political parties of their choice through their voluntary association. Ijeoma (2013:378) states that “the Republic of South Africa’s constitutional democracy is comprised of three system of government and an independent judiciary, operating gin a nearly unique system that combines aspects of parliamentary and presidential systems.”

The three established spheres of government which are interrelated and interdependent are provided for in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). These spheres are: National, Provincial and Local Government. Despite being independent, their common mandate is the provision of municipal basic services, economic development and rural development towards the improvement all citizen’s general welfare, in the main. Each of these government spheres has an allocated constitutional mandate and functions to perform to the beneficiation of all citizens regardless of their political affiliation. The RSA Constitution (1996) stats that “South Africa belongs to everyone who lives in

it”, and at the same time the Freedom Charter of 1955 provides that “people shall share the country’s resources.”

Having highlighted the three spheres of government above, it should be re-stated that the focus of the study is mainly on the Local government sphere where the Municipal Infrastructure Grant (MIG) was located in terms of its establishment trajectory. In addition, special attention was allocated to the local sphere of government on the basis that the provision of services and delivery of goods occurs at municipal local level. The Local sphere of government is recognised nationally in terms of the constitution provisions, with its clear area of jurisdiction and authority to efficiently perform its functions without fail to all its people. All of these spheres of government have their support ideologically and theoretically. But with the local sphere of government, its support depends on the ability of the national sphere of government to push socio-economic development at local government level. This is characterised by serious limitations because each development-oriented programme requires full involvement and participation of the people as per the Batho Pele Principles. The local sphere of government is commonly understood as the closest government to the masses, and where policy meets people in terms of service delivery. Andoh (2012:94) agrees to say “all institutional and structural arrangements should have their focus directed towards the grass-root beneficiaries.” In the same breath, Van Der Waldt & Helmbold (1995:86) emphasise the fact that “local government as an independent sphere is required to regulate all matters relating to local affairs of its jurisdiction; and must ensure that its administration is based on sound principles of public administration and public accountability in order to deliver quality services to the people in a most efficient manner.”

As stated earlier, local government is a place for democracy widening by adhering to the principle of public participation throughout the policy circle processes and development processes (Cameron, 2004:7). This chapter provides a detailed descriptive analysis of the Infrastructure Development Policy document in the

public sector environment, and an in-depth legislative background of the Municipal Infrastructure Grant from a South African perspective and its socio-economic impact, with a specific focus on the Buffalo City Metropolitan Municipality.

### **3.2 THE EASTERN CAPE PROVINCE'S BRIEF SOCIO-ECONOMIC PROFILE.**

South Africa is one country in the SADC countries that became a democratic state recently. Since 1994, the government of South Africa's focus on the transformation agenda put it on the map in Africa due to its inclusive economic policies. It is important to highlight the fact that, apart from the above, the country is currently faced with social and economic injustices and spatial inequalities that made way through the apartheid government system (Alden, 2006:33). With that in mind, Healey (2000:123) suggests "the revival of the region as well as regional-scale planning in the developed countries of the West, planners and policy-makers worldwide to be compelled to examine critically the processes shaping their own spaces, territories and actions." Some authors such as Stopper (1995:75) and Deas & Ward (2000:49) averred that regions should be regarded as the new economic platform that can promote integrated strategic development planning and economic development. This implies that a region becomes the link between the top-down and bottom-up strategic development planning processes and regionalized strategic scaling towards sustainable development and growth (Vigar et al, 2000:132; Keating, 1998:17).

The Provincial Growth and Development Plan [PGDP: 2004-2014] came to see the light of the sun in August 2004 after its adoption by the Provincial Government of the Eastern Cape Province. Its strategic thrust design stretched for a period of ten (10) years, envisioning an inclusive, sustainable shared growth and development. The PGDP implementation framework was the socio-economic reform and integrated development planning. The Plan took note of the apartheid



and its legacy manifestations of spatial inequalities, racism and exclusive economy, and presented a new chapter for renewal and transformation.

The Province of the Eastern Cape is geographically found on the South-Eastern shoreline of South Africa nearby the Free State Province and Lesotho to the North Pole, and the province of KwaZulu-Natal to the North-East of the Indian Ocean, and Western and Northern Cape provinces to the west. The EC province is made up of 169 580 sq/km, putting up 13.91% of the entire land area of South Africa. This land size area is the second largest in South Africa following the Northern Cape Province. The Eastern Cape Province, after the Limpopo province is the second poorest and rural province with only 38.1% of its population being urbanised (Alden, 2006:33).

The Province of the Eastern Cape is comprised of two metropolitan municipalities namely; the Buffalo City Metro (BCM) and Nelson Mandela Bay (NMB), and six district municipalities which are: Amathole, OR Tambo, Sarah Baartman, Chris Hani, Alfred Nzo; and Joe-Gqabi. All these district municipalities have local municipalities attached to them. Due to the amalgamation, the province has a total of 39 municipalities.

Bisho is the capital city of the province, whilst East London and Port Elizabeth are the province's key industrial zones and both have IDZs and ports. There are three airports that services the province, one in East London, other one in Port Elizabeth and last one in Mthatha. Other important relevant towns to mention in the Province are Uitenhage, which brags a motor vehicle plant; King Williams Town, rich in early settler and military history; Grahamstown, a city of saints because it boasts more than 30 churches; Graff Reinett, with its interesting group of celebrated old buildings; Cradock, the hub of the Central Karoo; Sutterheim, the forestry centre of the Province; Aliwal North, famous for its hot sulphur springs; and Port St Johns, the largest town on the Wild Coast.

### **3.2.1 The Rural Development Concept**

According to the Eastern Cape Provincial Rural Development and Agrarian Reform Strategic Framework (2010:13), in order to deal with rural development in the province, there is a need to first tackle the root causes of extreme rural poverty, urban poverty and the underpinning underdevelopment of these areas. These are essentially historic and relational. This history reflects in terms of spatial terms, geographical terms and socio-economic development terms. The native reserves and the arrival of exclusive controlling policies introduced between 1910 and 1948 by the Union of South African are the historical reasons which sum up the source of the province's challenges.

In addition, the exclusive development policy frameworks championed by the apartheid regime from 1948 up to 1994 and the native reserves left a rooted and lasting legacy. This includes people without land, the rural livelihoods and poverty associated there to, immense infrastructure development backlogs, rural-underdevelopment and non-vibrant and unsustainable rural local economies. To that effect, institutional capacity deficiency to plan and implement development-oriented programmes delays service provision (Mbanga, 2012: 567).

Rural Development premise is essentially diverse based on historical, social, economic, political and ecological Dynamics and effects. With regards to the Eastern Cape Province its manifestations are shown by split economy, high level of inequality and link between the needs of the people and inadequate capacity of government. Since 1994, the ANC-led democratic government introduced policy frameworks and regime change legislative requirements in dealing with the legacy of the apartheid government (Mbanga, 2009:221).The following section presents the evolution of the local government environment, the service delivery centre, where policy meets people.

### **3.2.2 The Provincial Growth and Development Plan (PGDP)**

Firstly, when considering policy and strategy development and implementation from a provincial level point of view, the following key issues are to be taken into account:

- ◆ The impact of national policy framework on provincial growth and development relate to the fact that the national shift towards competitiveness and global economic integration, during 1996, has promoted growth in a number of export-focused sub-sectors, particularly the automotive industry. However, projected employment and growth targets under GEAR have not been met, and the levels of savings and investment have not been adequate to underwrite real and sustained growth. Poverty remains a significant challenge and is concentrated in the former Bantustan areas.
- ◆ The provincial government has a somewhat limited role in developing economic, industrial and social sector policy. The main role of provincial governments is to coordinate and implement national policy. Provinces, do however, have major service delivery roles in education, health and social development, and have oversight over Local Government in many areas of policy. Provinces therefore make major choices regarding the sectoral and spatial distribution of public expenditure. These choices affect economic growth, job creation and poverty eradication (PGDP, 2004).

The Province of the Eastern Cape Government introduced, after adopting its first Provincial Growth and Development Strategy (PGDS) in 1996, an overarching framework for sustainable development in the province. The PGDS (1996) shows the following constraints:

- It was not sufficiently informed about the socio-economic conditions of the Province.
- It was not sufficiently owned by the provincial government departments and social partners.

- After the merger of the former Transkei, Ciskei and portions of the Cape Provincial administration, the Province lacked the administrative and institutional capacity necessary to drive coherent service delivery.
- During the time of adopting the PGDS, the local government sphere was undergoing significant changes some of which were posing governance challenges.
- The broad goals of the PGDS were not translated into clearly defined programmes that could be translated into departmental plans.
- The lack of clarity at the level of programmes and projects was reflected in very limited attention to linking the PGDS to provincial government budgeting processes.
- Neither institutional mechanisms nor monitoring and evaluation mechanisms were put in place to allow for re-orientation of departmental programmes and tracking progress therefrom during the lifespan of the PGDS.

In the whole process of the PGDP development, adoption and introduction drew a number of lessons based on the PGDS implementation. The lessons included the following:

- Certain minimum capacities are required within the provincial government and at municipality level to plan effectively and manage the implementation of PGDP programmes.
- Participation and ownership by all government departments, municipalities and social partners in the planning and implementation of the PGDP is needed.
- Clear understanding is needed of the role of the state, other agencies and social partners in promoting growth and development.
- The depth of poverty and the degree of inequality within the Province are the major constraints on development.
- In the context of the Eastern Cape, the social and economic aspects of growth and development cannot be separated.

- The provincial economy is concentrated on a limited number of sectors.
- Planning and budgeting should be closely linked, and the PGDP should provide strong strategic and programme planning framework to lead the allocation of state resources to development priorities.
- The Province has no unlimited resources in support of growth and development, and therefore, the PGDP must develop clear and prioritized programmes within a strong strategic framework to leverage additional resources from national government, donors and the private sector. (Mbanga, 2012: 457).

From the above, it appears that two separate phases of macro planning were undertaken by the Eastern Cape provincial government since the start of democracy. The first phase began in 1996 when a broad socio-economic development framework [RDP] was introduced. However, this framework did not enjoy the support and buy-in of key role-players. Hence, in 2004, the Province of the Eastern Cape moved towards its second phase of macro-planning marked by the introduction of the PGDP. The following section details the theory behind and the MIG location in the local government sphere.

### **3.2.3 Municipal Infrastructure Development (MID)**

This programme, which was established in 2003, its aim was to provide all South Africans with at least a municipal basic service level by 2013. This was to be achieved through financing of infrastructure capital costs in a form of grant finance. It was a government-envisioned strategy whose aim was to fight the core chronic poverty and create an enabling environment for rural-local economic development. This policy framework was highly anticipated to yield maximum sustainable opportunities for the creation of jobs and business development.

The MIG programme fits within the overall development framework of developmental local government, which is founded on three developmental and social cornerstones: basic services provision, food security and HIV/Aids. Whilst

the MIG programme directly addresses basic services through infrastructure activities, it also contributes to access to basic services that improves opportunities for communities to live meaningful lives. Poverty is still one of the biggest challenges facing the country. The most important step the country undertaken towards addressing this challenge was the establishment of the Municipal Infrastructure Grant (MIG) Programme.

Being one of the biggest capital grants worldwide, the MIG is guided by clear policy principles, objectives and conditions for use. It has a clear framework, which outlines roles and responsibilities, cross-sector linkages, programme management, and mechanisms towards ensuring transparency, accountability and sustainability. The MIG framework makes a provision for the allocation of resources to eradicate poverty. However, for the MIG to be successfully implemented, qualified personnel is required, relevant skills, strategic partnerships with all relevant stakeholders who interest is the outcome of the programmer's aim.

### **Objectives of the MIG**

In the context of the above principles, the key objectives of the MIG, in terms of its founding document were to:

- Fully subsidise the capital costs of providing basic services to poor households. This means that priority must be given to meeting the basic infrastructure needs of poor households, through the provision of appropriate bulk, connector and internal infrastructure in municipal services;
- Distribute funding for municipal infrastructure in an equitable, transparent and efficient manner which supports a coordinated approach to local development and maximizes developmental outcomes;
- Assist in enhancing the developmental capacity of municipalities, through supporting multi-year planning and budgeting systems; and

- Provide a mechanism for the coordinated pursuit of national policy priorities with regard to basic municipal infrastructure programmes, while avoiding the duplication and inefficiency associated with sectorally fragmented grants (DPLG, 2003:46).

### **3.3 HISTORICAL EVOLUTION OF THE SOUTH AFRICAN LOCAL GOVERNMENT**

Vyas-Doorgapersad (2010) and Ijeoma (2013) opine that “the effect on human settlements and municipal institutions by the past regime left serious imprint on South Africa.” These authors further state that “transformation requires a deep understanding of the historical role of local government in creating and perpetuating local separation and inequality, and the impact of apartheid at the local level/sphere and struggles against apartheid local government”. Binza (2009:245) suggests that the South African government advancement shows a three dimension structure which moves: “from commercial public administration (1652-1975), to ‘pure’ local public administration (1975-1999), and ‘market-local public administration’ (2000 to date)”. In terms of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) “local public administration is necessary for the municipalities to get into partnerships with civil society and the private sector at large in order to fast-track the local and rural economic development vibrancy and the delivery of goods and services to the community.”

Section 40(1) of the *RSA Interim Constitution (1993)*, refers to each sphere of government (national, provincial and local) as “distinctive, interrelated and interdependent’ although one government. These terms have acquired a status of being labels that define the underlying values of South Africa and its intergovernmental relations (IGR). IGR is largely a basic requirement within the government system in ensuring that local government integrates and coordinates all service delivery interventions as the gate way to the local communities.” In line

with the above definition by the constitution, Ismail *et al* (1997:3) define local government as “ that level of government which is commonly referred to as a decentralized representative institution with general and specific powers devolved to it by a higher tier of government within a geographic area”. Categorically, local government simply “refers to efficient and effective administration and management of cities, towns, villages and geographically organised communities” (Coetzee, 1985: 26). Equally so, Lockhard (1968, *cf.* Nyagwachi, 2008:17) agrees with the above authors and defines local government “as public institution with an authority to govern and play a management role in all the affairs that are within the jurisdiction of the municipality”. Notably, local government “refers to a sphere of government and not the single municipality in that all combined municipalities form a sphere, called local government” (Reddy, 1996:50).

Local government in isolation cannot meet its constitutional mandate unless there are structured service delivery partnerships that are aimed at improving the status of local government. In this regard, the interdependence of local government in relation to other spheres of government connotes a relationship for shared responsibilities and supervision thereof (Nyagwachi, 2008:45). Constitutionally, the national and provincial spheres of government are equally mandated to play a supervisory role on municipal performance (RSA, Constitution, 1996). However, some sections of the constitution provide clear functions and the extent of supervisory roles to municipalities to avoid unnecessary conflicts amongst the spheres of government. It is also important to make mention of the fact all these spheres share the same national intent which is to delivery services to local communities and improve rural economic development.

In this context, in development there is no ‘big brother’ or ‘younger brother’ but equally important and relevant in terms of functions and responsibilities is collaboration. In essence, the role of the National government is to establish institutional frameworks for both provincial and local government throughout the nine provinces, uniformly. Municipalities cannot go nonstop in their implementation



without the national and provincial governments monitoring (Constitution of the Republic of South Africa, 1993). Equally so, both national and provincial governments have a responsibility of providing support to the local government, and provincial governments are eligible to intervene in any emergency or serious matters that the local government may face. This could be service delivery related matters or major developmental matters.

Notably, in terms of the Intergovernmental Relations Framework Act (2005) local government “is a key partner in all intergovernmental relations in a broader spectrum of cooperative interventions through the existence of organised local government structures, which are to be represented in most of relevant intergovernmental structures and institutions”.

After many years of rule by the past apartheid regime, a need for a democratic, authentic and responsive local government system emerged with a statement of intent that of meeting the needs of all people regardless of race. The African National Congress (ANC), in 1994, led the 1st democratic government that took power, with a huge responsibility of turning around the then discriminatory development and the economy which was on the negative skew. It was then that the local government interim system in 1994 was established to meet the needs of the people and to create an enabling environment for reconstruction and development. An interim phase of transformation lasted for five years since 1995 to 2000. It began immediately after the first democratic elections in the history of South Africa. However, local authorities only realized their democratic privilege beginning November 1995, except the Cape and KwaZulu-Natal provinces which only exercise their first democratic local government elections in 1996 (Ismail, Bayat and Meyer, 1997:27).

The mandate of the new democratic government is referred to as a "developmental mandate, as the post-1994 government is responsible not only for policy development and providing services, but also for improving economic growth and

development” (Reddy, 1996:75). In terms of the Constitution of the Republic of South Africa (Act 108 of 1996), “local government has the authority and responsibility to provide local community goods and services within the demarcated geographic jurisdiction areas in order to improve the quality of life of the people it serves. Amongst other key important services that the local government has to promptly and sustainably deliver on are the promotion of rural economic development (RED), local economic development (LED) and delivery of basic community needs yet promoting the fundamental principles of democracy that justify the actual existence of local government, in the main”. Equally so, the local government is often regarded as the closest sphere of government to the people, and that alone gives a clear picture that the service delivery environment is at a grass root level and all resources and partnerships should be directed to that level. Even the national and provincial spheres are also located in a municipal environment or space and service delivery follows-suit as such. Therefore, the local government can play a very important developmental role by making sure that people’s needs are at the centre of local and rural development initiatives (Davids, Theron and Maphunye, 2005: 59).

Ijeoma (2013) agrees that the aim of the local government structure is to promote socio-economic development throughout South Africa. The local government structure in this country is comprised of 283 municipal councils and the same municipalities are categorized into various categories (A, B & C) as provided in the Local Government Municipal Structures Act (No. 117 of 1998); and they all form the local government sphere. These municipalities have different histories with each unique environment and needs. This, therefore, justifies the categorisation of these municipalities. The ultimate aim is to better understand the individual developmental needs of each municipality in order to promptly respond to the needs of the community.

In the context of the above, Meyer (1978, cf. Reddy, 1996:49) concurs and defines local government as “...local democratic units within the unitary democratic

system, ... which are subordinate members of the government vested with prescribed, controlled governmental powers and sources of income to render specific local services and to develop control and regulate the geographic, social and economic development of defined local areas.” Drawing from this definition it can be deduced that the South African government has undergone a rapid transformation process of making local government structures more democratic, which simply implies that all local citizens now have equal access to basic services and are free to participate in policy development programmes and interventions because they remain the primary beneficiaries.

Parallel to the latter, the local authorities are there to provide goods and services in specific geographic areas, mainly because of the inability of the national or central government to respond to all the detailed service delivery aspect of government. In simple terms local government is there to bring government to the people by mainly creating a platform for public participation in matters that affect them and their environment. This starts from the democratic political processes that control and oversee their daily living so, it is clearly important to have lower structures that are able to listen and respond to immediate needs requirements of the local populace (Van Donk, Swilling, Pieterse and Parnell 2008: 26; Reddy, 1996: 51). With the above contentions, the study continues to explore and provide characteristics of municipalities, developmental local government, legislative provisions for local government in relation to the history, and to draw some challenges that may have hindered the implementation of the provisions made in a number of Legislations, Acts and policy frameworks.

### **3.3.1 Features of Municipalities**

The above section provided the background and context to the idea of local government in South Africa. In this section, it is important to start off by providing some key features of municipalities that make them unique. Ismail *et al* (1997:5) provides features that separate municipalities from other spheres of government

but not suggesting that these municipalities are independent entities. He presents these features as follows:

- Well-defined areas of jurisdiction- municipalities are only uniquely mandated to govern and manage the affairs and people of only a particular geographical area.
- Direct participation of the people in the jurisdiction, through elections.
- Service provision- municipalities exist to provide particular basic services. Their sources of finance include rates and taxes that they constitutionally have power to charge.
- Municipalities can pass by laws that are legally binding.
- Municipalities may employ personnel to do and manage its business.

The above features of municipalities are a simple indication of their primary service delivery responsibility to the local communities within their respective jurisdictions. Despite having such unique features, they still operate within the overall framework of both national and provincial governments as provided in the *Constitution of the Republic of South Africa, 1996* (Act 108 of 1996). While municipalities are allowed to pass their by-laws, such laws must not be contradiction with national and provincial legislation and the Constitution (See Section 41(1)). The Local Government: Municipal Systems Act, 2000 (Act.32 of 2000) and the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) provide different categories of municipalities which are discussed below.

### **3.3.2 Categorisation of Municipalities in South Africa**

The transformation of local government has never been an easy and simple process but a long and complex one. Generally, change is never an easy exercise but an intense process that requires extensive consultation, especially in a democratic society. Ever since South Africa became a democratic country the only key challenge has been to transform all government institutions and municipalities

to reflect as such in all forms (Nyagwachi, 2008:22). This led to the establishment of new municipalities comprising six metropolitan areas (category A) with an additional metropolitan called Buffalo City Metropolitan (BCM) which gained this status in 2011. This makes a total of seven metropolitan municipalities. Others are: Johannesburg, Tshwane, Ekurhuleni, Nelson Mandela Metropolitan, Ethekewini and Cape Town. *Section 155(1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)* and *Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)* separate municipalities into the following categories:

- ◆ **Category A:** refers to a municipality that has exclusive and legislative authority in its designated area. In simple terms there is only one municipal council in a municipal area or jurisdiction. There are seven (7) metropolitan who are category A municipalities.
  
- ◆ **Category B:** refers to a municipality that shares municipal executive and legislative authority in its area with a category C municipality within the area if falls, i.e. local municipality, and there are 243 local municipalities.
  
- ◆ **Category C:** refers to a municipality that has municipal executive and legislative authority in an area that includes more than one municipality e.g. a district municipality and there are 47 district municipalities in South Africa.

Consistent with this study, BCM is a category 'A' municipality within the local government sphere. Nyagwachi (2008) writes that the MIG model is both a unique political and socio-economic experiment which requires serious attention in assisting the South African metropolitan in enhancing service delivery, rural and economic development, through infrastructure development toward sustainable economic growth.

### **3.3.3 Metropolitan Governments in South Africa**

In terms of the *White Paper on Local Government* (1998:2), the term 'Metropolitan' refers to "...large urban settlements/areas with high population densities and diversified economies and a high degree of functional integration across a larger geographic area...economic and social activities transcend municipal boundaries and metropolitan residents may live in one locality, work in another and use recreational facilities across the metropolitan area". The metropolitan governments have their exclusive executive authority in their areas which are generally and often referred to as big-cities. The role of these 'big' cities is overwhelming due to the complexity of the environment and cultural manifestations that exist. One example of a Category A municipality with a metropolitan council is Tshwane Metropolitan Municipality. Once again the *White Paper on Local Government* (1998:2.1) provides factors that contribute to and reasons for the establishment of metropolitan government in South Africa.

Primarily, a metropolitan government or municipality creates a basis for equitable and socially just metropolitan governance thereby getting rid of situations where local people are poorly serviced with social, economic, recreational and social amenities, which was the case under the past regime system. In addition, the Act elaborates that the apartheid system laid a legal framework for White municipalities to effectively exclude the large Black majority of the urban poor and ensure that high, commercial development fell within their jurisdiction. Metropolitan governments are established to provide meaningful answers in redressing such problems and ensure that there is fair and equitable redistribution of resources to benefit all.

Equally so, the 1955 Freedom Charter also states that all people of the country should share the country's resources as they belong to all. But in any state, be it democratic or not, there has to be a governing body to negotiate on behalf of the country's masses. The metropolitan councils' role is to develop and promote strategic engagements on issues of development such as spatial planning and

land use management. They mobilise and coordinate public & private investments, and infrastructure development. There cannot be infrastructure development as a means for economic activities without spatial planning and land use development. It is impossible for the metropolitan municipalities to deliver on their mandate on their own without the involvement and participation of both the private and third sectors in metropolitan socio-economic development strategic interventions. This makes MIG to be a relevant model which has been proposed on a number of occasions. The whole process requires an integrated approach and a single window of coordination in order to meet the developmental needs of the metro and of the communities. The metropolitan councils are responsible for the development of wide social and economic frameworks in order to enhance their economic vibrancy and well-being of the people. The process is made a reality through the development of the Integrated Development Plan (IDP) within the public participation framework (Robbins, 1987:11).

The responsibility of providing affordable and efficient services to the communities entirely remains with the metropolitan councils. The responsibility flows from strategic engagements in order to highlight key strategic quick-wins for the metro in line with the medium and long term development project planning. Equally so, the council has a huge role to play in ensuring full community participation in the development of their areas in order to leverage the service delivery and needs requirements (Batho Pele Principles, 1998).

The *Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)* elaborates that every municipal council has municipal executive powers and duties assigned to it, to effectively and efficiently manage the affairs of the metropolitan. The *Local Government: Municipal Structures Act, 1998 (Section 8)* identifies and provides the following types of metropolitan governments:

- i. *A municipality with a collective executive system;*

- ii. *A municipality with a collective executive system combined with a sub-council system;*
- iii. *A municipality with a collective executive system combined with a ward participatory system;*
- iv. *A municipality with a collective executive system combined with a sub-council and ward participatory system*
- v. *A municipality with a mayoral executive system;*
- vi. *A municipality with a mayoral executive system combined with a sub-council participatory*
- vii. *A municipality with a mayoral executive system combined with a ward participatory system and; and*
- viii. *A municipality with a mayoral executive system combined with a sub-council and a ward participatory system.*

### **3.3.4 Developmental Local Government**

Developmental local government is, *“local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of life”* ( White Paper on Local Government (1998:17). The developmental local government has four interrelated characteristics, viz:

- a) Maximising social development and economic growth: This part relates to the powers and functions of local government that have be exercised in manner that maximumises impact on the social development of communities- in particular meeting the basic needs of the poor- and on the growth of the local economy. Through its traditional responsibilities (service delivery and regulation), local government exerts a great influence over the social and economic well-being of local communities. Municipalities therefore need to have a clear vision for the local economy, and work in partnership with local business to maximise job creation and investment. What can be deduced from the first feature is that municipalities should act entirely as the states’ engine



through which service delivery reach the local communities, whilst at the same time play a vital role in ensuring that the local communities are provided with basic services in terms of the constitutional provisions. Equally so, the development of the local or rural economy should be at the centre of any developmental agenda or invention because job creation, poverty alleviation and unemployment come as the result of vibrant economies that are able to capture local economic development (LED) as a strategic pillar.

- b) Integrating and coordinating; Within any local area there are many different agencies that contribute to development, including national and provincial departments, parastatals, trade unions, community groups and private sector institutions. Developmental local government must provide a vision and leadership for all those who have a role to play in achieving local prosperity. Poor coordination between service providers could severely undermine the development efforts. Municipalities should actively develop ways to leverage resources and investment from both the public and private sectors to meet development targets. One of the most important methods for achieving greater coordination and integration is integrated development planning. Integrated development plans provide powerful tools for municipalities to facilitate integrated and coordinated delivery within their locality.
  
- c) Democratizing development: In this democratic dispensation, Municipal Councils play a central role in promoting local democracy. In addition to representing community interest within the Council, municipal councillors should promote the involvement of citizens and community groups in the design and delivery of municipal programmes. While regulation remains an important municipal function, it must be supplemented with leadership, encouragement, practical support and resources for community action. Municipalities can do a lot to support individual and community initiate, and to direct community energies into project and programmes which benefit the area as a whole. Community participation and involvement in development planning up to

implementation is critical in order to better meet the four previously four Batho Pele principles that relate to public participation, and

- d) Leading and learning: developmental local government in terms of the same White Paper on Local Government (1998), provides explanatory of this developmental local government feature. Extremely rapid changes at the global, regional, national and local levels are forcing local communities must find new ways to sustain their economies, build their societies, protect their environments, improve personal safety (in particular for women) and eliminate poverty. There is no single correct way to achieve these goals.

In essence, developmental local government requires municipalities to become more strategic, visionary and ultimately influential in the way they operate. Their role extends to policymakers, strategists and innovators, as well as institutions that promote local democracy. Furthermore, developmental local government requires municipal service partnerships within the provisions in the National Treasury Regulations (White Paper on Local Government, 1998:25).

The *White Paper on Local Government* (1998) , giving effect to Chapter 7 of the Constitution, established a developmental local government with specific emphasis on participatory, integrated development planning and local economic development initiatives as key fundamental objectives of local government to be achieved in the short, medium and long term (Bekker & Leilde, 2003:144).

About 147 countries with local governments met in 1992 in Brazil, Rio de Janeiro and signed an Earth Charter in an attempt to enable all countries with local governments to promote participatory, integrated development planning and sustainable Local Economic Development (LED) in their unique environments (United Nations, 2007:176). The Earth Charter made a clear provision that local government should implement sustainable economic development in cities or towns. The Charter further requires the local governments to be more

development-oriented in performing their functions. Myers (2005) in the same context of the charter writes that the local government goal must directly contribute to “combating poverty and exclusions through improved and shared local governance. This vision is to enable the cities of the world to become the ‘inclusive cities’ – a place where everyone, regardless of wealth, race, age, gender or religion is provided with an opportunity to participate productively and positively in sustainable development opportunities that the cities have to offer”. The internal local government policy discourses provided a platform for world countries to organise their actions towards development-oriented local government yet ensuring that all forms of development centre around people.

A generic understanding of government is that government is for the people by the people of the people. This relates very well with the organised countries’ goal because development cannot happen in the space but in a space environment, and the environment is inhabited by people who are better positioned to interpret their sensory regarding the environment within which they find themselves. The primary purpose of the Charter is to get rid of the so called ‘dependency syndrome’ by the local government on national and provincial grants/aid, and the dependency of local people on government than engaging societal development programmes for them to empower themselves.

Hemson, Meyer and Maphunye (2004) write that despite having all developmental policy documents, rural development programmes are scattered around villages with more focus on agriculture. The authors in their views further contend that some government policies such as Integrated Sustainable Rural Development Programme (ISRDP), Local Economic Development Framework and Integrated Development Plans (IDPs) are of course sector bias but lack specific emphasis on localities such as small towns. In the same context, rural development is more than just agriculture but the combination of three approaches, namely: Community Development, Integrated Rural Development, Basic Needs and Public Participation. It’s almost more than two decades since 1995 that rural

development, local economic development initiatives have actually prioritized agricultural interventions as a solution to social and rural economic development (Nel & Rogerson, 2005: 27).

The Rural Development Framework (DLA 1997) recognizes local economic development as an alternative and an effective approach to socio-economic development for developmental local government, although its focus was on specific sectoral interventions, mainly agriculture in rural villages, which lacked emphasis on localities of small towns in order to integrate interventions (Makhura, 2009). Likewise, the World Bank (2002:1) states that local economic development “is largely understood as both a spatial and sectoral intervention focusing on the improvement of the employment status and the comparative and competitive advantages of any given locality, which differs from place to place”. This signifies that LED comprises and promotes partnerships between local government, private sector and community to create business and employment opportunities thereby stimulating local economic growth (Xuza, 2008: 64).

According to Hughes (2003:15), developmental local government in the sphere of local government exemplifies a firm determination to reform the inherent cultural manifestations of local government into the new public management style, which allows for partnerships contracts between the local government and the private sector or even the third sector whose ultimate aim is to improve service delivery in local areas. To that effect, the demand for services at that level cannot be overemphasized, especially in the Eastern Cape Province where majority of its populace is still trapped in extreme poverty and unemployment which are the underdevelopment manifestations. It is within the policies’ requirements that local government improves socio-economic development of the local communities in order to meet the needs of the community. But this should be preceded by municipal institutional arrangements through the introduction of systems such as performance management to better achieve the constitutional mandate and

government's overall development objective (Hemson, Meyer & Maphunye, 2004: 75).

Subsequent to the development of the *White Paper on Local Government*, 1998, the development of other important pieces of legislations led to the establishment of local government as a distinctive sphere of government, interdependent, and interrelated with national and provincial spheres of government. These systems and processes led to the improvement of LED.

These enactments are: the Municipal Finance Management Act, 2003 (Act 56 of 2003); the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); the Municipal Service Partnership Policy, 2000; and the Local Government: Municipal Structures Act, 1998 (117 of 1998)). These enactments serve as the core legislative frameworks for the practice of local government administration and management in South Africa. One of the legislations in its preamble provides that "...there is agreement in our country on a vision of democratic and developmental local government, in which municipalities fulfil their constitutional obligations to ensure sustainable, effective and efficient municipal services, promote social and economic development...and work with communities..." (Local Government: Municipal Structures Act, 1998; Binza, 2012:92).

Previously, the cities or municipalities in countries such USA, UK, European and Asian engaged in a process of developing their focused local economic development (LEDPs) in valor of fast-tracking LED interventions through infrastructure development. The agenda behind the whole collaborative process was meant to provide a sound legislative framework for local economic improvements and implementation of development-orientated interventions. These developmental municipalities used the following steps in putting together the relevant LEDPs and the models are: (1) description of the community; (2) SWOT analysis (referring to community's strengths, weaknesses, opportunities and threats); (3) community values and mission statement; (4) community

assessment; (5) action plans for some of the priorities (Wandschneider, 2004; City of Elim, 2005:2 cf. Binza, 2009:125).

All participating countries, their municipalities in terms of the international declarations such as the Local Agenda 21, IULA Worldwide Declaration of Self-Government, and European Charter for Self-Government, require municipalities (regardless of having a developed or development status) to play a people centered role in developing their local or rural economies together with private sector institutions who operate within the municipal jurisdictions. These declarations are a good sign of how the participating countries take seriously socio-economic development. There is no socio-economic development without economic vibrancy of the local municipalities. In order to actively achieve the pre-determined objectives of developmental local government, the municipalities have to first develop their own LEDPs and IDP as a symbol of commitment to implement the recommendations of the declarations outlined above.

In terms of *The Constitution of the Republic of South Africa* (1996) municipalities are provided with clear and legal directives on how to transform and restructure themselves to fit for the mandate at hand. It further sets out the new democratic developmental local government objectives which are outlined as follows:

- provides democratic and accountable government for local communities;
- ensures the provision of services to communities in a sustainable manner;
- promotes social and economic development;
- promotes a safe and healthy environment; and
- encourages the involvement of communities and community organisations in local governance.

Section 153 (3), of *The Constitution of the Republic of South Africa* (1996:63) states, “a municipality has the right to govern, on its own initiative, the local

government affairs of its community”. In essence, this implies that municipalities have a right to mobilise resources, to effectively render local community services to improve the quality of life of all citizens in most equal, efficient and economical manner. As mentioned earlier on, the municipalities within their constitutional right can mobilize resource by engaging in public-private partnerships on behalf of the municipal citizens but the process must be consultative and beneficial to the citizens. Section 151 (1) of the Constitution provides the legal status of these municipalities on how to effectively govern, manage, and efficiently improve the wellbeing of all citizens and create a conducive environment for each person to unleash his/her potential in a democratic South Africa.

In terms of strengthening democracy and combating exclusions in the affairs of government through partnerships with private sector and the civil society, the democratic government introduced a concept of ‘shared’ governance. Reflectively, the role of developmental local government in providing community services and improving the economic growth seem to be losing momentum as initially anticipated. The recent service delivery protests throughout the country shows how slow is service delivery and may also suggest that there is minimal communication feedback provided to the members of the communities. Nonetheless, without drifting astray, other concepts that got introduced are privatisation and contracting as means to an end, to reduce the involvement of government in resolving sustain development challenges. The hot argument behind the above presentation is that private sector is often regarded as a sector that is able to deliver the services more efficiently than the public sector. This simply means that the private sector provides and conducts service delivery for the government, and government will ultimately get enough chance to focus on its constitutional core functions (Parker and Seal, 2003:28; Ott, 2002:26).

The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), provides that “individual or public entities or agencies should carry out the contracted-out functions or services of local government”. This Act further provides for services to

be provided through public-public partnerships as well as public-private partnerships. The former refers to a partnership between two municipalities or departments within the same municipality or the two spheres of government. This form of partnership may be seen as "the first step end route to eventual privatisation" (Sparks 2003:181 cf. Binza, 2009: 147). The latter promotes a business relationship between the public and the private sector.

The Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998) was promulgated to establish the Demarcation Board which was responsible for demarcating the municipal boundaries. The following are the key factors identified from section 25 of the Municipal Demarcation Act (1998:18):

(a) the interdependence of people, communities and economies as indicated by, *inter alia*:

- existing and expected patterns of human settlement and migration;
- employment;
- commuting and dominant transport movements;
- spending;
- the use of amenities, recreational facilities and infrastructure; and
- Commercial and industrial linkages:

(b) the need for cohesive, integrated and unfragmented areas, including metropolitan areas; (c) the financial viability and administrative capacity of the municipality to perform municipal functions efficiently and effectively; (d) the need to share and redistribute financial and administrative resources; (e) provincial and municipal boundaries; (f) areas of traditional rural communities; (g) existing and proposed functional boundaries, including magisterial districts, voting districts, health, transport, police and census-enumerator boundaries; (h) existing and expected land use; social, economic and transport planning; topographical, environmental and physical characteristics of the area; (j) the administrative consequences of its boundary determination on credit worthiness; (l) the need to rationalise the total number of municipalities within different categories and of



different types to achieve the objectives of effective and sustainable service delivery, financial viability and macro-economic stability.

South African municipalities have local autonomy, which means the right to govern (Craythorne, 1997: 9). According to Reddy (1999: 10), local autonomy means the “ability of local government to make binding decisions and policy choices within a legally stipulated framework and to allocate resources and provide services other than those of the central or provincial government”. Craythorne (1997:9-10) notes that there is no municipality in the world that has absolute autonomy. Mandela in Parnel et al. (2002:35) shares Craythorne’s view by stating that municipalities are the agencies of the state, and the “arms and legs” of national government to effectively implement reconstruction and development programmes.

Theoretically, the local sphere of government is not inferior or superior to other spheres of government (Reddy, 1999: 1), but shares the same status as they do. Within the context of the focus of this study, a factor to be noted is the limited local autonomy of the municipalities in question to “proceed with the procurement of a infrastructure projects without the written approval of the National Treasury or relevant provincial treasury” (National Treasury Regulation 16 of 2004: 2). There may be good reasons for this phenomenon of subjective and limited autonomy, but as Craythorne (1997: vii) notes “*it will lead to uncertainty and possibly also to actions beyond the spirit of the Constitution*”, and to “mixed feelings” in the process of improving LED and implement employment generating projects through infrastructure.

The local government reform in South Africa under the new democratic government emerged with an immense task of restructuring the inherited local government which was characterized by socio-economic development exclusion by firmly taking factors such as democracy, efficiency, effectiveness, responsibility, responsiveness, non-racialism and non-sexism into a serious consideration for application in the real world of democracy. With that in mind, this section presents

an elucidation of key relevant democratic theories of local government. The push behind these theories is based on an understanding that for any transition within the field of public administration there has to be guiding theories to enhance contentions for the relevancy of the study

The new system is appropriate to respond to the challenges of addressing and ultimately overcoming the legacy of underdevelopment and the 'paralysed' system of local government inherited by the post-apartheid government. In addition, the newly established system of local government is aimed at improving governance by finding and developing the best possible mechanisms which are congenial to the promotion of participative democracy" (Mafumadi, 2001:1; Marais, 1989:189). Furthermore, in carrying out their multi-mandates, developmental local governments must give priority to the needs of the people, and such attempts must be reflected in the restructuring and management of their administration, budgeting and planning processes (see section 153 of the Constitution). Section 16 (b) (i) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) adds that "local government must foster participation and use their resources, and annually allocate funds (economic capital) in its budgets to enhance community participation. The same Act in section 16 (a) specifically states that communities must be involved and participate in the formulation, reviewing and monitoring of the IDP, performance-management systems, budgets, LED and service delivery options such as public-public partnerships, and public-private partnerships.

The South African National Civic Organisation (SANCO) agrees that "the establishment of ward committees denotes a commitment of the government to people-centred development and people-driven governance". SANCO (2003:1) provides for a political framework for community or public participation which is at the heart of participatory development democracy, (ANC, 1955: 2). It is the Freedom Charter of 1955 that provides for the principle "The People Shall Govern".

Now the principle is enshrined in various pieces of legislations in the country, for example, the Local Government: Municipal Structures Act, 1998, and the Local Government: Municipal Systems Act, 2000. This study does not intend to deal with the entire sphere of local government in South Africa, but only with developmental metropolitan government, which will be dealt with next.

### **3.4 LEGISLATIVE FRAMEWORK TO DEVELOPMENTAL LOCAL GOVERNMENT**

Equally important to the above, the role and responsibility of local government was never an easy one but required informed thoughts around suitable legislations, policies, regulations and frameworks that would yield the intended socio-economic development results. The local government sphere in South Africa is made up of 283 municipalities throughout the nine provinces. As a sphere that enjoys a direct and closeness to the people, it has a surplus of its legal framework upon which it must function and deliver services to its people. The study will cover only those relevant pieces of legislation and policy documents which form the legislative framework are, inter alia, the Constitution, Local Government: Municipal Structures Act (No 117 of 1998), Local Government: Municipal Systems Act (No 32 of 2000), Local Government: Municipal Finance Management Act (No 56 of 2003) and the White Paper on Transforming Public Service Delivery (Batho Pele, 1998). This section of this chapter forwards legislative development local government framework.

#### **3.4.1 The Republic of South Africa Constitution (Act 108 of 1996)**

With the powers vested in municipalities in relation to service delivery, municipalities are entitled to govern their own development initiatives, the affairs of the local community which are of course limited to national and provincial legislation. The national or provincial government may not obstruct any

metropolitan municipality's ability in exercising its powers (Reddy, 2001; *cf.* Mbanga, 2012: 174).

The RSA Constitution, the supreme law of the land, provides and locates local government in section 151. And the fundamental objectives of local government are outlined in section 152, which are to promote local democracy throughout. The municipalities are mandated to make sure that all local citizens receive the services they need in relation to their basic need entitlement outlined in the Constitution of the RSA. Therefore, municipalities are strongly encouraged to allow communities and community based organisations to participate in the governance of the local affairs. The local government cannot fully grasp the exact needs of each local resident by merely a desktop approach but public participation is critical in any democracy, because the environment within which the service delivery takes is unique to each individual municipality. The development and promotion of socio-economic development is at the core in the RSA Constitution and the current government in response to this constitutional requirement introduced a number of development policies such as RDP, GEAR to mention few but they will be discussed in length in one section of this chapter.

Equally so, Chapter 2 of Constitution provides in the Bill of Rights that "all citizens must be treated equally" which a true reflection of the nation's democratic values regarding human dignity, equality and freedom, and the upholding of the Constitutional principles (Ijeoma, 2013: 419). The Constitution of the Republic of South Africa, 1996, Section 151 precisely provides for the establishment of a distinctive sphere of government closet to the people which is also interdependent and interrelated with the operations of the provincial and national spheres of government. With that provision in the constitution the local government is the closet sphere of government to the people and should be equally treated as such when it comes to resource allocation. The Constitution places more fundamental functions that must be performed by the local government sphere but the flow of resources towards meeting that constitutional mandate is yet a major challenge in

South Africa. It could be the over regulation of the local government or capacity development issues but the study will discover all such concerning questions as the study proceeds.

#### **3.4.2 Local Government: Municipal Structures Act (No 117 of 1998)**

According to Ijeoma (2013) and Andoh (2012) the Local Government: Municipal Structures Act (No 117 of 1998) is meant to guide and regulate the municipal internal structures, systems and office bearers and provide an appropriate electoral systems within the ambit of the constitution. The Act in chapter 4, part 4 provides for the establishment of functional ward committees. Clear functions and responsibilities contribute to performance management which is linked to service delivery outputs and outcomes, the ultimate mandate. In the same context of this Act, schedule 1, parts 1 and 2 looks into issues around electoral system for both metro and local councils, as well as ward election. This Act basically promotes citizen or public participation in exercising their democratic rights within the electoral system context. The public participation in local government matters through the ward participatory system of municipal government permits the establishment of ward committees. The role of the ward committees is of great significance in a sense that the structure becomes a centered mouth piece between the municipal council and community, and by doing so the municipal council can be in a better position of making informed decision regarding the type of service needed by the people yet on the other the community can patiently wait for the good time for delivery of the required service although within the Batho Pele Principles.

Consistent with the overview of this chapter, *the Constitution of the RSA*, 1996 introduced the principle of 'shared authority' within a district area and that was embodied in the *Municipal Structures Act*, 1998 (Andoh, 2012:108). The need for new approaches to service delivery were emphasised in the *White Paper on Local Government*, 1998 whose details will be made in short coming after this section. The

Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), as amended further makes a provision for the establishment of local government in accordance with the requirements relating to categories and types of municipalities, to ensure alignment with the national democratic vision of government and the ideal developmental local government. Mufamadi (2001), on the same page places the modern municipalities as a “radar of success to fulfil their constitutional obligations to ensure sustainable, effective and efficient municipal service delivery, promote social and economic development, and encourage community participation in local governance to meet the socio-economic needs of the people”.

According to Mbanga (2012:174), the key defining features of the new local government system is its openness to local community people to play an active role in governance of their local municipality, which is a democratic rule of the South African Constitution. The establishment of ward committees is the result of what government has to offer to its constituency through its local sphere of government so public participation in this regard becomes critical for sustainable development. Bekker and Leilde (2003) (in Mbanga, 2012: 174), in relation to the promotion of local democracy through public participation outline key democratic areas in table below:

**Table 3.1: Democratic Areas**

<b>Voters</b>	to ensure maximum democratic accountability of the elected political leadership for the policies they are empowered to promote.
<b>Citizens affected by local government policy</b>	who express, via different stakeholder associations and ward committees, their views before, after and during the policy development processes in order to ensure that policies reflect community preferences as far as possible
<b>Consumers and end-users of municipal services</b>	who expect value-for money, affordable, courteous and responsive service.
<b>Partners in resource mobilization</b>	for the development of the municipal area.

**Sourced from Mbanga (2012)**

Mbanga (2012), further states that “although not compulsory, the *Municipal Structures Act*, 1998 provides for ward committees to be set up in each ward of a municipality in order to enhance participatory democracy. A ward committee comprises the ward councilor as the chairperson and up to ten other people representing a diversity of interests in the ward.”

The above declaration from the Structures Act and in line with the Municipal Service Partnership Policy, 2000 enabled the municipalities to form sustainable partnerships with the private sector and civil society in a bid of building and improving the Local Economic Development of each municipality. In this context, the metropolitan governments have a responsibility of ensuring the formation of structured partnerships that contribute to continuous training and skills development, and human resource development system. Through partnerships the local sphere of government human capacity gets improved to better manage the socio-economic development initiatives, interventions and programmes in a

most effective and efficient manner, and to efficiently redistribute economic resources equitably. In this regard, MIG is an alternative model for improved and sustained LED and rural economic development (RED) which ultimately contributes to development indicators, in measurement.

Binza (2009) and Nyagwachi (2008) in their research work suggest that the development of the partnerships to the MIG implementation model is aimed at improving and sustaining the local economic growth and development that contribute to job creation, poverty alleviation, reduce unemployment and reduce to zero the dual divide between second and first economies in each metropolitan municipal area.

Equally so, the Municipal Finance Management Act, 2003 (Act 56 of 2003), Section 120 makes provision for conditions and processes for infrastructure development partnerships to which all municipalities entering into such agreements should adhere to.

#### **3.4.3 Local Government: Municipal Systems Act (No 32 of 2000)**

Ijeoma (2013), suggests that the Municipal Systems Act (No 32 of 2000) holds a supreme place in all local government legislations, as it provides for the establishment of the planning, performance management systems, effective resources utilisation and organisational change frameworks. The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), in its preamble, stipulates that "...there is a need to set out the core principles, mechanisms and processes that give meaning to developmental local government and to empower municipalities to move progressively towards the social and economic upliftments of communities and the provision of basic services to all our people". In terms of section 16(1) of Chapter 4, community participation in development planning and management is outlined clearly for better application of the community participation mechanisms, processes and procedures. Those community participation



mechanisms, processes and procedures are provided in section 17(1 and 2). In context, the *Municipal Systems Act* governs the local government operations in the South African government system.

In year 2000, the Department of Provincial and Local Government (DPLG) in an attempt to simplify the whole development planning approach developed and issued a guide on how to formulate and implement the Integrated Development Plans (IDPs). Section 25 of the Municipal Systems Act provides for the development and adoption of a five (5) year plan that outlines the development agenda and financial resources of the municipality, and that plan is called the Integrated Development Plan (IDP) which is the business plan of each municipality. The purpose of issuing the IDP manual packs is to guide municipality of serious factors to take into account when developing a public participation plan as a phase in the Integrated Development Plan processes. In terms of the Municipal Systems Act, 2000, community participation cannot be over emphasised. Andoh (2012) agrees to say that “participation cannot be meaningful unless data collected and information provided is communicated effectively in the sense of usable information for the target audience”.

The IDP provides metropolitan government with an enabling service environment to graduate from the conventional service delivery environment in order to respond to community needs in a most democratic manner. It can be likened to a ‘Northern star’ which serves a guide to wondering boats of the exact destination, and it is equally so with the IDP it provides strategic guidance to municipalities on how to better manage, invest, develop and implement service delivery and development-oriented decisions with the Medium Term Strategic Framework (MTSF) period. In meeting the above the White Paper on Local Government (1998) provides and requires municipalities to allow for private section participation, organised community organisations, non-governmental organisation and all citizens in finding sustainable ways of meeting the community socio-economic needs (Plummer, 2002:17; Johnson, 2004:75).

According to the DPLG (2007), the IDP is a strategic document which is the result of a structured, manageable and constitutional developmental process upon which financial resource is attached to and linked to municipal programmes, which are planned to be delivered with the period of 5 year. The IDP document is often associated with the Municipal Service Delivery and Budget Integrated Plan (SDBIP), which is an operational implementation plan of the IDP of the coming financial year. The allocation and attachment of financial resource to any municipal development project or programme there has to be accountability and transparent to exercise democracy at all cost. In terms of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), Section 25, an IDP is described as a “single, inclusive and strategic plan for the development of a municipal which links, integrates and coordinates plans and takes into consideration the proposal for the future medium and long term development of the municipality, aligns the resources and capacity of the municipality with the implementation of the plan; and forms the policy framework and general basis on which annual budgets must be based”.

Although there are a number of structures and forums that coordinate the local government activities and functions with the sector government departments’ activities, IDP is the centre for integration. In the context of the latter, De Visser (2005) agrees by defining IDP as “one of the most important instruments of coordination between national, provincial and local government. All service delivery by all spheres of government comes together in a focal point of coordination and alignment at local government level”. In simple terms this implies that municipal plans, programmes and project must actually be aligned to the municipal budget (which there is key fundamental resource in the implementation of service delivery programmes). Equally so, the municipal plans and budget must be linked to and measured against individual performance agreements and performance, and municipal overall performance on a quarterly or annually basis. And that must be based on the balance scorecard method outlined by the South African Cities Network. Furthermore, the municipal five year IDP document is not

simple a document but it gets subjected to IDP processes which include IDP review for the Municipal Council to reflect on progress made, and areas of improvement and reprioritisation of projects.

According to the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) "development" means sustainable development "which includes integrated social, economic, environmental, infrastructural, spatial, organizational and human resources upliftments of a community aimed at (1) improving the quality of life of its members with specific reference to the poor, and other disadvantaged areas of the community; (2) ensuring that development serves present and future generations". From the above delineations, participatory development system uses local decision-making method to steer and define the nature of local and rural economic interventions. The aim is to combat poverty and unemployment within a specific locality. In this context the model does conclude to provide an accurate description of the municipal partnership arrangement and value-management science. Instead, it should be considered as a frame of reference to better help all functionaries in municipal infrastructure partnerships to understand and appreciate the forging of sustainable business relationships with the private sector so as to bring efficiency in creating employment and combating poverty.

The model does accommodate a variety of assumptions and has a built-in flexibility that enables it to yield alternative predictions that bring us closer to the real world of Economics of Public Administration, an area of study where infrastructure development partnership is a niche (Manuel, 2003:7; Malan, 2002; Black et al., 1999:3). The underlying assumption is that the appropriate Infrastructure development model requires capital such as human, physical, economic and social capital, to be successful. Furthermore, political support from government is required in terms of policies and legislation to provide an enabling environment to enhance the invigorative participation of the private sector, civil society movements and other interested international investors or development agencies

The local government to meaningfully achieve financial sustainability towards the provision of community services relies on economic capital vibrancy. In terms of the Local Government: Municipal Systems Act (2000:14), municipal financial stability ensures the provision of the services “in a manner aimed at ensuring that the financing of such services from the internal and external sources of revenue is adequate to cover the cost of the initial capital expenditure required for the service, as well as the operating and maintaining or replacing cost of the physical assets”. Without economic capital local and rural economic growth and development are impossible to achieve which therefore leaves the capital a fundamental resource for sustainable local economic development (Plummer, 2002: 17; Winter, 2002; cf. Binza 2009: 164).

With all the contentions in this section the researcher can deduce that although Ijeoma (2013) rated the Local Government: Municipal Systems Act (32 of 2000) as the most important legislations in all local government legislations but what becomes key for the local government is the adherence to the Act. The effective and efficient way of service delivery solely depends on functional municipal structure with intact leadership, the existence of policies as internal measures, clear implementation plan and viable budget in order to respond to the infrastructure development needs. Of great note and in the face of limited resource at the municipal disposal the municipality cannot meet the service delivery demands of the community but with structured municipal partnerships the pace of service delivery gets improved. The Local Government: Municipal Systems Act (32 of 2000) is also applicable to the two metropolitan municipalities within which the study is located.

#### **3.4.4 Local Government: Municipal Finance Management Act (No 56 of 2003)**

In line with the Local Government: Municipal Systems Act (32 of 2000) above which provided details of how the municipality should tackle issues of development in a democratic attitude. Furthermore, details on municipal planning and

development approaches are outlined above with special focus on the municipal IDP and with all relevant links and alignment. However, the provisions made around the IDP cannot be separated from the Local Government: Municipal Finance Act (56 of 2003) provisions. This is mainly because a good plan requires a good implementation plan and importantly the financial resources to enable all the process to unfold smoothly, an illustration will be provided as this section progresses. But for now, putting the Act in perspective it is important to get a sense of what authors have to say in relation to development planning. Ijeoma (2013) writes that the prime purpose of the Local Government: Municipal Finance Management Act (56 of 2003) [MFMA] is “to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government”.

In other words the *Municipal Finance Management Act* is set to guide and regulate the budget processes of the municipalities as enshrined in the RSA Constitution (Act 108 of 1996) which enforces accountability and transparency. The Act further sets out that the budget process should take a participatory approach in municipalities, thus allowing open engagements on budget matters in relation to budget allocation. It is Section 17 of the same Act, MFMA that requires alignment between the Integrated Development Plan (IDP) and the budget processes and these processes should run parallel and simultaneously. Additionally to the above, monitoring and evaluation (M&E) becomes also a very important arm of these processes because M&E provides justification for value for money. It therefore be advocated that the three units be structurally motivated to integrate their processes to achieve synergy in order to realise the pre-determined objectives which are contained in all strategic documents of the municipality. It must be acknowledged that the main source of revenue for municipalities is taxation flowing from different form of sources such as rates; hence the spending of such money should be openly, accountably and efficiently spent.

In line with the regulation, in 2015, the South African Government developed and announced a new approach called 'Back to Basics' (B2B) Framework within which financial management is one of the five pillars. That alone tells a story that the Department of Cooperative Governance & Traditional Affairs has a huge responsibility of enforcing compliance to the MFMA requirements. Auditor – General South Africa (AG-SA) pronounced early this the financial state of the South African municipality in terms of audit opinions. Out of the 283 municipalities only 50 (20%) of the municipalities that show a good financial management and the rest still desire for more interventions on this B2B pillar (Auditor General, 2015). Chapter 4 of the MFMA provides for local government budgeting, budget discussion and preparation, financial expenditure, unspent funds, capital projects, unauthorized, irregular & fruitless or wasteful expenditure and consequence management. These are very important standard guidelines for the municipalities which are aimed ensuring proper usage of governments' fund and value for money, measured in terms of service delivery outputs and outcomes. Importantly, financial resource must be spent on service-related programmes in order to optimise local economic growth (Kamensky and Morales, 2006: 45; Black *et al.*, 1999:184).

With the above reflections and in the context of the Eastern Cape Province, the Department of Cooperative Governance & Traditional Affairs (COGTA) has to intensify its municipal finance and capacity building of the municipal officials within the provisions of the Municipal Finance Management Act, 2003 (Act 56 of 2003). In actual fact, all municipalities must implement their service delivery programs with the parameters of the MFMA to ensure sound financial management. In terms of the Municipal Finance Management Act, 2003 (Act 56 of 2003), Section 120 all municipalities are provided with conditions and processes for entering into municipal infrastructure development agreements, and they should adhere to straight up (National Treasury Regulations, 2010: 14).

### **3.4.5 White Paper on Local Government (1998)**

This policy document of 1998 heralded the reality of a democratic South Africa with critical constitutional provisions upon which a 'democratic' society received endorsement (Department of Constitutional Development, 1998). The policy became one of a kind policy that proved to be reflective of the dynamics of the modern environment with more focus on key aspects development enshrined in the constitution. The policy translated and detailed the simplification of the constitutional objectives and functions into the concept of 'developmental local government', and it further provided a definition of new mandate as a local government system that creates a participative platform for the citizens whose location is within the environment in order to find suitable and sustainable solutions to their social and economic needs. As a result of this policy, De Visser (2005: 79) outlines four features that the developmental local government received:

- Maximising economic growth and social development: local government is instructed to exercise its powers and functions in a way that has a maximum impact on economic growth and social development of communities.
- Integrating and coordinating: local government integrates and coordinates developmental activities of other state and non-state agents in the municipal area.
- Democratic development and public participation: local government becomes the vehicle through which citizens work to achieve their vision of the kind of place in which they wish to live.
- Leading and learning: municipalities must build social capital, stimulate the finding of local solutions for increased sustainability, and stimulate local political leadership.

The above features show an adoption of a structured transformation agenda of local government which took serious paradigm shift from the adoption of the Local Government: Municipal Demarcation Act (1998), which provided for the demarcation of municipal boundaries by a single independent Municipal

Demarcation Board (MDB) (De Visser 2005:19). The motive behind the demarcation of municipal boundaries was to nullify the past regime's rule where traditional rural areas were governed by a local authority. So this policy provided a new system that responded to the 'wall-to-wall' imperative of inclusive and viable municipalities in line with the Constitution of the Republic of South Africa (*Interim Constitution of the Republic of South Africa 1993, s. 151(1)*). Thereafter the Local Government: Municipal Structures Act of 1998 became a legal framework for the establishment of local government institutions.

Mbanga (2012) makes a point that the new transformative mandate was characterized by a serious challenge of transforming the inherent socio-political deficiencies which marginalized the poor, into a realistic and tangible general welfare improvement of the people. Structural arrangements became the centre point of transformation to allow all systems to respond to the socio-economic developmental agenda. Molefe (1991) cf. (Mbanga, 2012) suggests that the fact that local government is defined as a 'sphere' not a 'tier' connotes a sociopolitical shift from the apartheid hierarchy towards a democratic cooperative governance system of local government. Therefore, this sociopolitical shift has been captured through the introduction of the new concept of developmental local government within the local government sphere.

Categorically, the South African Local government transformation process went through two unique critical policy phases' reforms; the first policy was preceded by the 1995 local government elections and the passing of a new 1996 democratic Constitution of the Republic of South Africa; the second phase articulated and provided in the White Paper on Local Government (1998) which created the establishment of a developmental local government with a particular emphasis on inclusive, participatory, evidence planning and rural or local economic development. Equally so, the above contentions give a clear picture of how the whole concept of 'developmental local government' and the role of the local government sphere in service delivery as the closest sphere to the people, and



that alone marked a totally new vision for local government . Ijeoma (2013) puts a firm stem to the above contentions by highlighting the three important approaches that could be of great assistance to municipalities to be developmentally-oriented which are:

- i. Integrated development planning and budgeting
- ii. Performance management; and
- iii. Working together with local citizens and partners

These approaches are a force behind that which encourages a healthy relationship between the local government and local communities to collectively find long lasting solutions to their unique environmental challenges within which they find themselves and are able to meet their needs for the general welfare improvement. To a larger extent, performance management has been the focal area of local government transformation and the existence of functional and effective performance management systems are a huge part in the drive towards functional government in a democratic society. The realisation of a developmental local government vision of improving the quality of lives depends on the pursuit for efficient and effective performance in relation to service provisioning (*White Paper on Local Government*, 1998). The importance of having a functional performance management systems and its utilisation is to evaluate programme performance, personnel performance, account to citizens, and provide feedback information to facilitate strategic conversations and public stakeholders participation in local government matters (Andoh, 2012:20). Importantly, performance management should be used as a one of the key important management tools in order to foster outcome-based performance throughout. Programmes on their own cannot implement themselves, therefor that encourages the municipalities to invest in human resources for better results and then measure outputs and outcomes.

Furthermore, from the above assertion of a shift in a new vision in this White Paper and in terms of the National Framework for Local Economic Development (LED)

of 2006, developmental local governments are considered to creating “an enabling environment for local economies to grow and produce prosperity for all”. This very same White Paper states that the *“powers and functions of local government should be exercised in a way that has a maximum impact on the social development of communities – in particular meeting the basic needs of the poor – and on the growth of the local economy”* (1998:18). The shift in a vision as enshrined in this White Paper, a number of repercussions for institutional change are clearly outlined in this policy document.

Firstly, there is a need to work on the past regime’s weaknesses and socio-economic development gaps that existed but also to emulate or build on some of the positive elements that can contribute in the total reform of the local government in South Africa. This is because it cannot be entirely correct to suggest and conclude that the whole apartheid system was bad to that extreme and that nothing good can be emulated from it. There are good lessons that the current local government can draw from the past to fast-track the delivery of basic services. Some parts of the Eastern Cape Province are still without basic services and that cannot be right even after more than 21years of democracy.

Secondly, the local government outlook must be more developmental in nature, and not only focus on service delivery and activities, but should also lead the socio-economic development of the local communities. The Eastern Cape Province by its geographic location and past exclusions is characterized by high poverty levels and unemployment experienced by its populace.

Thirdly, municipalities need to prove beyond the status of being a ‘level’ of government but the ‘sphere’ of government that is at the core of the society through which service delivery takes place in order to realise the developmental local government vision. There is no service delivery without specific development factors such as infrastructure development, spatial planning and rural economic

development (De Visser, 2009; Mpengu, 2010; and *White Paper on Local Government*, 1998).

### **3.4.6 White Paper on Transforming the Public Service, (1997)**

In contemporary South Africa, municipalities are the focal point of public service delivery and the entire reform of the public service as they are seen government closer to the people. The White Paper on Transforming the Public Service (also known as Batho Pele) promotes means to find more effective and efficient mechanisms of enhancing service provision and key eight Batho Pele principles as a technique are captured in this White Paper.

In the context of this section, there are four main principles of Batho Pele that stand for emphasis within the context of public participation in local government as it were which are:

**Consultation:** Citizens should be consulted about the level and quality of services they receive, and should be given a choice about the services that are offered to them. This simple means that people must be part of municipal development planning starting from a ward level up until the IDP, because the nature of service cannot be imposed into them without a service understanding consent.

**Service standards:** Citizens should be told what level and quality of service they will receive so to know what to expect from their government. Clear set municipal service standards are a critical requirement in this regard. The quality and standard of service agreed up must be equal to the actual delivery of services to avoid distortions in service delivery system. Should there be any changes, citizens must be informed about the reason into why different standard of service and allow engagement, in a democratic manner.

**Information:** Citizens should be given full, accurate information about the services they are entitled to receive. This promotes honesty and nothing will be done under

a veil of secrecy. Detailing every aspect of the service to be delivered to the people basically encourages democratic accountability and responsibility.

**Openness and transparency:** Citizens should be told about how service departments are run, how much they cost and who is in charge. These principles are important in a democratic society for public participation.

### **3.4.7 Municipal Planning and Performance Management Regulations, 2001**

The Municipal Planning and Performance Management Regulations (MPPMR) is focused on uplifting the socio-economic conditions (development requirements), as an underpinning all activities of the council to eradicate the inequalities and backlogs of the past (Padarath, 2006: 3; Binza, 2009: 166). The Municipal Planning and Performance Management (2001) provide and require that the IDP “crosses departmental divisions by linking the physical, social, institutional and economic components of planning and development with management and implementation structures”. On a detailed scale the Municipal Planning and Performance Management Regulations, 2001 cf. Andoh (2012: 157) in relation to performance management provides that the performance management system (PMS) of the municipalities must meet the following:

- *Demonstrate how the performance management system is to operate and be managed, from the planning stage up to the stages of performance review and reporting;*
- *Define the roles and responsibilities of each role-player, including the local community, ion the functioning of the system;*
- *Clarify the processes of implementing the system within the framework of the integrated development planning process;*
- *Determined the frequency of reporting and the lines of accountability for performance;*
- *Link organisational performance to employee performance;*

- *Provide for the procedure by which the performance management system is linked with the municipality's' integrated development planning processes; and*
- *Show how set key performance indicators envisaged in section 43 of the Act will be incorporated into the municipality's planning and monitoring processes.*

Without planning, there is no performance monitoring and reporting. Therefore, the provision made in this Act cannot be overemphasized for the application by the municipalities to realise developmental local government reform.

### **3.5 MIG DEVELOPMENTAL ASPECT: ANALYSIS**

In order for government to timeously, effectively and efficiently deliver on its mandate, it is important that the public and private sectors join forces to plan, finance, implement and manage all Municipal Infrastructure Development projects, especially the infrastructure projects. This is mainly based on the fact that infrastructure development and industrialization create a platform to local economic growth and local social development of a specific municipality. These partnerships can take many forms, depending on the exact allocation of risks and responsibilities (Thomson, 2005:41; Sava, 2000:27). Therefore, the better way of analysing MDPs is to explore the nature and the components of these partnerships. As academically known, the involvement of the private sector in the public sector domain is not a new exercise because governments have for a long time used the private sector to undertake projects for the public sector. In a South African context, circumstantial evidence suggests that most and some of the major infrastructure in the country was undertaken by private contractors. Traditionally, the procurement system for a school could be well designed by one private contractor, and the other one builds and finally the other one finances and management done by government.

Fundamentally, development of infrastructure and the actual service provision are bundled together under a single long-term contract are the key characteristics of the MDPs. Equally to the above mentioned fundamental feature of MDPs, Grimsey and Lewis (2004: 97) agreed when they noted that “with a MDPs, the asset and service contracts are combine, and there is integration within a private sector party of all (or most of ) the functions of design, building, financing, operating and maintenance of the facility in question, often in the form of a special purpose vehicle (SPV) created for a specific project.” And the special purpose vehicle is a private company or consortium established to deliver a specific municipal infrastructure development project (Ismail *e.t al*, 1997:97).

According to Smith (2000), “today people rightly expect public services to be tailored to their needs, delivered efficiently and to the highest standard. Governments cannot afford to ignore these demands, and to meet them successfully and complete the public service modernization process, the commercial, consider-oriented management skills of the private sector to be harnessed.” Therefore, MDPs are meant to deal with the above mentioned demands as part their involvement in commercial activities whilst ensuring the provision of the necessary infrastructure and associated public or municipal services in this case.

According to Grimsey and Lewis (2004); Hanss (2001), the main municipal revenue which comes from taxation has been the traditional source aimed at infrastructure development and of course deliver public services. However, with only this revenue could not sustain the high demand of society needs. As a result, Blake (2004) writes that “government in particular have since embraced MDPs as an important mechanism for financing infrastructure and service without having to increase taxation or run budget deficits which would be politically unacceptable.” This therefore deduces and affirms the government’s desire to unlock the revenue limitations by extending responsibility to the private sector as well towards improved service delivery.

Furthermore, government agrees that, in isolation it cannot efficiently and effectively deliver on its public service delivery mandate. Therefore, private sector resources are needed to cut the shortcoming experienced by government. In addition, the public sector environment is mainly focused on service delivery and that is likely to suggest that even in doing so, government pays a lot of money for the delivery of services and that may result in lack of commercial orientation.

In the context of shifting roles of government together with advanced technology around the globe, public managers/office bearers should continuously find ways and means of enhancing the delivery of public service in matching the greater expectations for quality services placed upon the public sector. Public Managers in the context of MDPs are well expected to other important roles “including those of entrepreneur, facilitators, partner, and gatekeeper in establishing and maintaining relationships and upholding ethical standards” (Hansell & Flanagan, 1999:9). This is suggestive that the use of MDPs could mean some of the functions that were attached to the public sector managers could lend on the private sector on behalf of government. Equally so, this may not be a positive transaction because the public managers paid for those specific functions and failing could mean that they are relaxed in their comfort zones which they need to wake up from to equal the task at hand.

Drawing from the above, it is evident that MDPs are “a multi-organisational approach to public service delivery in which the traditional culture of in-house public service provision is being down played in an attempt to be progress and find the best ways to achieve desired public outcomes” (Sedisa, 2008). However, Hood and MacGarvey (2002) from a different angle of the same point write that the public sector core values upon which is founded are preserved and, in actual fact, should continue to guide reforms in public administration. The introduction of MDPs would appear that it was motivated by the perception that the modern life dynamics required a more flexible, dynamic and innovative kind of politics together with a

radical rethink about the state's capacity to cater for the population. This view is based on the fact that at some point the traditional procurement systems and some private sector contracts showed to be unsatisfactory and full with problems. And in some instance, such contracts led to litigation.

Smith (2004) in Sedisa (2008:101) observed that "litigation was often the result of the adversarial relationships between architect, engineer and builder. Owners were becoming increasingly distressed by having to act as referee between the parties, and cost overruns and schedule delays were becoming all too common. As a result, alternative delivery systems began to surface in the public sector." By adopting the MDPs approach, the confrontational relationships are substituted for by collective and synergetic relationships between public and private sector organisations. The functions, in the MDPs, of both partners are neither incompatible nor identical but instead, they are complementary in design for each other (Jamali, 2004: 416).

Fundamentally, Public-private partnerships can be looked at in terms of five key broad components, namely: the public sector, the private sector [metropolitan government], members of the public and the partnership agreement. However, the public and private sectors have been already been generally analysed in the former sections of this chapter. But all four will be revisited and analysed within the parameters of MDPs in order to improve the analysis of the MDP concept and its application at metropolitan government. The partnership agreement between the public sector and the private sector cannot be under-scored because it determines the success of any formed partnership between the sectors. The partnership agreement should reflect and deal with societal expectations in terms of service provision and monetary limits of such services. The partnership agreement guarantees conduciveness, beneficial collaborations and structured relationship which is directed towards public service delivery.



These two sectors need each other, and the service level agreement (SLA) clearly outlines the nature, and scope of activities attached to each partner (Hanss, 2001: 401). Additionally, the agreement becomes the guiding tool especially in cases of disputes and misunderstanding and serves as reference point for project continuity. Usually, an agreement takes a contract form biding and spelling out all expectations, limitations and obligations of parties involved the partnership and in this case it the metropolitan municipalities and the private sector (Pongsiri, 2002: 488).

### **3.6 CHAPTER SUMMARY**

The literature above located the MIG by first providing a brief profile of the Eastern Cape Province's socio-economic development. From the literature, it is clear that the National Government and Provincial government from the very onset were very committed to increasing the private sector involvement and participation in infrastructure development as the economic growth enabler, whilst the public sector focuses on service deliver and reduce the current budget deficit. Equally so, cost savings by government is considered as one another way of enhancing service delivery through Infrastructure Development programme initiatives.

The lesson from the literature is that the quality of projects reflects direct certainty. The purpose of MIG is to improve the local economic growth of the two metropolitans, ultimately benefiting the entire province. It is therefore important to identify, and find ways to filter relative performance evaluation. Although the literature has insisted on the MDP positives linked to economic growth, it is equally important to reserve the challenges that are attached to the MDP. The negative effect of financial contracting – namely that part of the return on effort accrues to outside investors – may also undo whatever beneficial effects arise from bundling the decision rights for building and operating the infrastructure project. That said, external finance may have the benefit of having expert and concentrated investors who will monitor projects. The advantage of debt over equity in limiting

underinvestment rely on large, expert creditors when outside investors are relied upon in the context of MDPs

The process of improving LED, combating poverty and exclusion, requires an integrated and participatory approach to effectively unlock opportunities for the poor and the marginalised to access economic, political, technological, social, and natural resources. Such approaches impact significantly on establishing and maintaining shared governance. The authorities must not limit, but rather create an enabling environment to enhance the promotion of poor people's rights to freedom, access to resources, and the right to take actions to own the development of solutions to problems which have led to poverty and exclusion. Social fragmentation as regarded as a binary divide between the haves and the have-nots needs to be discarded. It is important that the poor also trust in government and civil society structures.

Having reviewed the literature on the theme of this study, the next chapter (Chapter 4) will focus on the research methodology that was adopted for this study. The aim will be to spell out the research methodologies that were used to collect data sets for this study so that the reader could appreciate the results presented and discussed/analysed in subsequent chapters.

## CHAPTER 4

### RESEARCH DESIGN AND METHODOLOGY

#### 4.1 INTRODUCTION

Firstly, it is worth reiterating the primary purpose of this study which was to assess the socio-economic impact of the Municipal Infrastructure Grant (MIG) in the provision of key basic services in the Buffalo City Metropolitan Municipality in the Eastern Cape Province of South Africa. This chapter describes and explains the methodology and the overall design of this research study. In broad terms, a research methodology can be explained as a prearranged approach for undertaking a research study with serious consideration of the research problem, research primary question, objectives and hypothesis. In addition, there are a number of methodological paradigms that exist for social science study and, as Philliber *et al* cited in Yin (2003) affirm, the purpose of any research design and methodology basically depends on the nature and setting of the research. Equally so, the methodology and design choice further expands and explains data collection and analysis processes used in the research study. This is the focus of the present chapter.

#### 4.2 AN OVERVIEW OF RESEARCH

Generally, research can be regarded as a logical process of collecting, analysing, and interpreting data in order to enhance the understanding of the phenomenon under investigation or that is being studied (Leedy & Ormrod, 2005:2-3). On the other hand, Cohen, Manion and Morrison (2000:46) regard research as “the process of arriving at dependable solutions to problems through the planned and systematic collection, analysis, and interpretation of data. It is a most important tool for advancing knowledge, for promoting progress, and for enabling man to relate more effectively to his environment, to accomplish his purposes, and to resolve his conflicts.” This explicitly describes and explains what research is, as well as its purposes. Subsequently, in the management of the provincial governments’ affairs, it is important that once public problems have been identified, they are responded to meaningfully ensure improved social welfare of all citizens. However, for this to take place the identified problems need to be thoroughly investigated and tested in order to better understand them so that possible or optimal solutions can be proposed in a scientific manner. Therefore, research sciences should

produce products that have socio-economic benefits or potential thereof to the relevant communities (Lawton, 1998:10).

Then again, research is not conducted simply for its own sake. Instead, any research should be conducted with a specific purpose in mind or in order to address a particular issue. In the government setting, research should be linked to national priorities such as socio-economic deliverables which are contained in the Medium Term Strategic Framework of government (Sedisa, 2008:233). In the context of this study, the guiding principle was that the empirical research had to culminate in the understanding of Municipal Infrastructure Grant environment and the legislative compliance requirements in order to translate that into sustainable infrastructure development. In addition, it was envisaged that the study should also culminate in proposals as to how best can the municipality improve its socio-economic development and management systems towards the provision of quality goods and services to the people of the Buffalo City Metropolitan Municipality.

Research, from an academic point of view, is often conducted for the purposes of discovering new knowledge on a particular subject matter (Koshy, 2005:3). However, in general terms, Berg (1989:7) suggests that conducting research is not merely to collect data but rather to discover the correct and relevant answers to questions through a systematic approach application. Therefore, this points out that research is not only about data collection but the need that prompted the study to be conducted in the first place. That goes hand in hand with problem identification in a specific environment or setup because the service delivery environment is not rigid but changes over time.

Furthermore, undertaking empirical research is coupled with challenges that need to constantly be dealt with. Most of these challenges emanate from the fact that research in this area is characterised by the participation of human beings as research subjects (Neuman, 2007: 49). Naturally, people think, perceive and interpret their world (social and economic) differently. In some cases, such perception and interpretation is based on their experiences, research, assumptions, etc. and that alone endorses the fact that empirical research is often accompanied by its challenges, that is why research ethics come in handy to have all parties involved free to participate in the study. Closely aligned to this, Wilson (2006) observed that “people are engaged in an on-going process of making sense

of the world, in interaction with their fellows and we, as scientists, are seeking to make sense of their sense-making. In doing so we must inevitably make use of the same methods of interpretation as does the person in his or her common-sense world.” This view triggers researchers’ suggestion that studying people in their natural settings as well as the circumstances in which they function, is one of the key challenges that relate to issues of confidentiality and privacy that cannot be ignored whilst undertaking research that has to have some measure of reliability and credibility. Neuman (2007:7) puts across another challenge that some people tend to be reluctant to disclose what they know or are doing, yet others tend not to tell the truth. Be that as it may, in social and other research sciences there are useful approaches to research on human beings in their social setting which, to some larger extent, deal with some of these challenges.

### **4.3 RESEARCH DESIGN**

Babie (2011:85) states that “to every scientific research enquiry there is a research design showing the key factors, the data collection methods, analysis processes and their interrelationships in ensuring that the final research report responds to the initial research questions. “ Yin (2003), describes research design as a roadmap for conducting research, and as a logical sequence that links empirical data collection to initial research questions and eventually to its conclusions. Mouton (2001) confirms research design as a plan, or blueprint of how to conduct research. Therefore, research design can be referred to as a strategic framework and is critical to the success of the study. This is so mainly because research results can only be accepted, rejected, replicated or even be understood in the context of how to get there (Andoh, 2012:118). According to Van Dyke (1960), the normative approach which the study adopted as criteria is used in selecting the relevant questions to ask. Botes (1997) *cf.* Andoh (2012:119) also suggests that normative research studies “are more concerned with propositions and postulations; the existing standard or situation is measured against a visualized norm and an evaluation is made to determine which principles should or could be promoted or improved to achieve the ideal state.”

In the light of the above mentioned, the processes attached to data collection and analysis depend on the methodology and design of choice. Therefore, below is the discussion on the methodology that was used in data collection and analysis in the present study.

#### **4.4 RESEARCH METHODOLOGY**

Firstly, research methodology “is different from methods although in some cases these concepts are interchangeably used by some as if they are synonyms” (Babie, 2006:76). In a nutshell, research methods have to do with the manner in which data is collected. It also talks about how the collected data are systematically interpreted and reported. Sedisa (2008) alternatively suggests that “research methods should be regarded as the true practice of research exercise which is comprised of procedures or techniques and strategies applied in the process of conducting a scientific research enquiry, especially during data gathering.”

According to Dunne, Pryor and Yates (2005:162), methodology means “the study of, or a theory of, the way that research methods are used in undertaking a scientific study.” Ultimately, among others, it entails the description and analysis of research methods, highlighting their resources as well as their limitations. Hall and Hall (1996), espouse the view that “methodology should be seen as the philosophy on which research based”. Therefore, the aim of the research methodology is to describe and analyse the very same research methods, picking up their limitations and the scope of resources as well as the assumptions and possible results. All in all, it can be deduced that “methodology is the science of methods that enables researchers to follow established practices in collecting valuable data within a broader understanding of the research processes involved” (Sedisa, 2008: 220).

Furthermore, Mouton (2002) agrees with the latter contentions by suggesting that “research methodology takes into consideration the usage of standardized variety of methods and techniques that are aimed at increasing the likelihood of achieving validity in the scientific exertion. In fact, there is general agreement amongst many authors that any human related science enquiry should use qualitative and quantitative methodology”. Some authors talk about the mixed methods approach (De Vos, 2002:82). The study was conducted using the research methods listed and discussed below. The advantages and disadvantages of choosing the given approach have been provided.

#### **4.4.1 Qualitative Research Method**

Qualitative research “is an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem [such as poverty, unemployment, and economic growth]” (Mouton & Prozesky, 2001: 270). Leech and Onwuegbuzie (2007:558) write that “qualitative research can inform theory and model development in such a way that leads to new insights, into processes and practices within a particular setting, location, time and context experience”. On a positive utilisation of this method Andoh (2012:133) writes that “using the qualitative approach allows for the gathering of rich, detailed data that leave the participants’ perspective intact while at the same time providing a context to understand behaviour”. Therefore, this implies that the “methodological paradigm is specifically suitable for such a study in the discipline of Public Administration” (Auriacombe, 2009:826).

Denzin and Lincoln (1998) concur with other authors as they argue that “qualitative research takes into account the processes and meanings that are not comprehensively measured in terms of quantity, amount, intensity or frequency. In actual fact, this approach encompasses data collection and analysis methods that are not quantitative-oriented”. In essence, it can be said that qualitative research focuses on the experiences and circumstances, which do not easily lead them to quantitative measures (Sedisa, 2008:236). Notably, this approach has a relative subjective characteristic compared to quantitative research since it “involves a lot of collecting, analysing, and interpreting of data on people’s sensory memory about a subject matter. This is based on the assumption that reality is socially constructed and that there are various realities within which there are variables that are complicated and problematic to measure” (Maykut & Morehouse, 1994: 27).

Furthermore, a “qualitative research method is well appropriate for drawing in-depth information and suited for the discovery of underlying motivations, values, attitudes and perceptions that the targeted respondents have on the subject matter” (Chisaka, 2000:10). Neuman (2006) shares a common view that “the survey method gives meaning to the use of research questions in qualitative research because a question is usually speculative, which requires explanatory open-ended responses.” The data gathering included open-ended questions and used both structured and unstructured interviews with respondents.

The researcher used structured interviews to get the views of the respondents. Leedy and Ormrod (2001:199) submit that the “questions for the interview should be carefully planned and precisely worded to yield the kind of data the researcher needs to answer his or her research questions”. With regards to the structured questions, respondents answered the questions as scheduled and no follow-up questions were asked.

The positive aspects of these research techniques were: the opportunity of getting first-hand information straight from the respondents and resourcefulness. There is general agreement within the research community that with face-to-face contact, there is a possibility of high response rate and confusion and ambiguities was dealt with on time (Bless and Higson-Smith, 2000:104). This is the same reasoning which guided the researcher’s decision-making while planning for this study.

## **4.5 SETTING, POPULATION AND SAMPLE**

### **4.5.1 Setting**

This scientific research enquiry was undertaken in South Africa, the only country named after its geographic location. It is neighbored by Namibia on the north side, Swaziland, Mozambique and Zimbabwe. South Africa is surrounded by the India Ocean on the southern coasts and east side, and on the west side bordered by the Atlantic Ocean. South Africa, is comprised of nine independent provinces with individual Premiers and Provincial Executive Committee, these provinces are: Northern Cape, Eastern Cape, Western Cape, KwaZulu Natal, Gauteng, Limpopo, Mpumalanga, North-West and Free State. On the other hand, the beautiful South Africa is made up of three capital towns which are; Cape Town, the legislative capital; Pretoria, the executive capital and Bloemfontein, the Judicial capital (RSA Constitution, 1996).

The compliance, administrative, research management support and supervision for this study was provided by the Durban University of Technology, which is located in Durban – a city based in KwaZulu-Natal Province.

Data were collected from the Buffalo City Metropolitan Municipality located in the Eastern Cape Province. According to Section 153 of the Constitution of the Republic of South Africa (1996) the municipalities are mandated to:-



- a) Structure and manage its administration and budgeting and planning process to give priority to the basic needs of the community and to promote the social and economic development of the community.

#### **4.5.2 Target Population and Sample**

**Population:** Babbie (2010:390) defines population as “an aggregate or totality of all the objectives, subjects or members that conform to a set of specifications”. On the other hand, Neuman (2068:457) regards target population as “the set of elements that the researcher focuses upon and to which the results obtained by testing the sample should be generalized.”

The study’s target population was comprised of all the top management officials of the municipality, namely; elected representatives heading the portfolio of LED/Infrastructure Development, Engineering Services, Land Use Management, Social Community Development Services, and Community Representatives. In addition, members of the South African Municipal Workers Union (SAMWU), the South African Local Government Association (SALGA), and Independent Municipal and Allied Trade Union. The above mentioned target population enabled the researcher to realise the research objectives primarily because they have been working directly involved with socio-economic development of the municipality, within which MIG finds deep expression as an alternative programme to fast track service delivery.

**Sample Size:** Consistent with the narrative above, it is imperative to describe the sample procedure. To that effect, the study used probability sampling. According to Ijeoma (2013:57) “probability sampling suggests the probability that any member of the population could be included in the sample.” In other words, all members of the population stand a chance to be selected for inclusion in the study. The basis for opting for the probability sampling method was that it enabled the researcher to measure the possibility within which the sample results differ in opposite degrees from the corresponding population standards. It also allowed the researcher to estimate possible error in sampling (Mpengu, 2010:27).

This sample section consisted of municipal employees whose direct mandate relate to MIG project design, planning and implementation which in this case is the Buffalo City Metropolitan Municipality. The sample size for this study was only limited to municipal executive directors responsible for the following portfolios: Local economic Development, Municipal Infrastructure Development, Municipal Integrated Development Planning, Financial Budgeting and Planning, Social Community Development Services. The table below shows the sampling categorisation and respondents.

**Table 4.1: Composition of the research sample**

<b>CATEGORYOF UNIT</b>	<b>NO. OF INFORMANTS</b>
City Manager/ Chief Operating Officer	2
Executive Directors & Directors:	
Local Economic Development	3
Infrastructure & Engineering Services	2
Integrated Development Planning	3
Financial Budgeting & Planning	2
Social Community Services	3
Project Planning	3
Labour Reps	2
<b>TOTAL</b>	<b>20</b>

Prior to the undertaking of this study, the permission to conduct a research enquiry in the Buffalo City Metropolitan Municipality was granted by the metro (**see Annexure A**).

#### **4.6 DATA COLLECTION INSTRUMENTS**

The tools that the researcher of this research enquiry used for data collection involved document analysis and structured interviews. This was supplemented by document analysis and literature view. Before the process of data collection, the researcher started off by reviewing and analysing the existing relevant documents that deals with Municipal Infrastructure Grant and Municipal Socio-Economic Development. This exercise provided the basis for the need [problem] of this research enquiry and responded to research

questions and led to the introduction to the municipal infrastructure development literature (Andoh, 2012:139).

#### **4.6.1 Document Review**

The South African municipalities “are statutory required to have inclusive performance management systems and tools in order to measure socio-economic impact emanating from the develop-oriented projects such as PPPs” (Popeneo, 1995: 44). The documents were readily available for scientific analysis and review. Document analysis, according to Andoh (2012:139) “involves indirect observation.” Nonetheless, the process of analysing and review is not only narrowed in size or sample and but address the relevance of the studied phenomenon over a considerable scope. Document review and analysis is mainly about locating the content of interest that has a potential of adding value to the solution, within the parameters of a relevant theory. Holsti *cf.* Andoh (2012:140) explains content analysis as “any technique for making inferences by objectively and systematically identifying specified characteristics of messages”. Its origins can be traced back from the communication mass field and it gained momentum throughout different fields of research such as Political, Public Administration and management sciences aimed at regulating analysis of studies that were nonverbal in behaviour (Bailey, 1982:314; Babbie, 2007:317). The researcher during the research enquiry closely reviewed and analysed the following documents amongst many for the purpose of the study:

- ✓ Buffalo City Metropolitan Municipality, Integrated Development Plans 2012/13 to 2015/16.
- ✓ Municipal Infrastructure Grant framework
- ✓ Relevant Academic Accredited Papers together with Journals
- ✓ South African National Development Plan 2030, and Provincial Growth and Development Plan 2004-2014
- ✓ ANC Redistribution and Development Program (RDP), 1996
- ✓ Growth Empowerment and Redistribution, 1998

Document analysis has a number of positive features which can be labelled as being reasonable in money terms and saving with regards to the amount of time compared to large scale research enquiry surveys. Babbie and Mouton (2001) suggest that modest method is one another advantage of document review.

In terms of legislations and policies, the following were found to be directly relevant to the study: *Constitution of the Republic of South Africa* (Act 108 of 1996); *White Paper on Local Government, 1998*, the *Local Government: Municipal Systems Act, 2000*(Act 32 of 2000); *Local Government: Municipal Structures Act, 1998*; *Municipal Planning and Performance Management Regulations (No R796 of 2001)*; *Local Government: Municipal Finance Management Act, 2003*; *Performance Management: Local Government of the 21<sup>st</sup> Century, Municipal Finance Management Act, PFMA* and many more. But these were purposively carefully chosen.

#### **4.6.2 Interviewing**

To gather information from the participants, the researcher made use of semi- structured interviews. These interviews were used as an instrument for the following reasons:

- To obtain detailed information about personal feelings, perceptions and opinions;
- To enable the researcher to observe some non-verbal behaviour in line with the study itself; and
- To allow more detailed questions to be asked, and thus achieve a high response rate.

The interview schedule took twenty (20) to thirty (30) minutes with the respondents at their convenient locations to allow them to engage freely. The interview schedules sought to gauge the respondent's understanding and knowledge of the Municipal Infrastructure Grant, the implementation of MIG in relation to municipal development mandate.

#### **4.7 DATA ANALYSIS**

This section provides a brief data analysis process discussion. According to Polit and Hungler (1993), data analysis "is about organising the data collected in response to the research question. This also means that data as it is does not answer the research question. Therefore, the collected data must be organised, processed and analysed in some systematic and orderly fashion in order to realise the pre-determined research objectives versus the research questions. In addition, data analysis consists of making very detailed description of the case and its setting". The social science field is comprised

of various methods for analysing data. Collected data can either be qualitatively, quantitatively, or statistically analysed. In the case of this study, the researcher used Microsoft Excel program to analyse the collected research data. This was perceived to be more convenient and appropriate.

Hatch (2002) writes that “qualitative data analysis is one that is with more narrative descriptions rather than numeric values and are usually obtained through conversations, structured interviews and open ended question.” As a result, qualitative research data analysis can be referred to as without numeric aspects and exposition of observations from data. Therefore, the qualitative data analysis was done through variable interpretation in line with interview schedules results.

#### **4.8 FEATURES OF A GOOD RESEARCH**

According to Leedy and Ormrod (2005:34), “a good research exercise can be referred to as one that captures the correct true data and concludes by providing correct answers to the questions and problem that necessitated the research. Generally, any good scientific research enquiry should meet the key basic requirement of reliability and validity provided that the research is based on a clearly defined and correctly identified problem statement. Consequently, reliability and validity of research methods are some of the significant features of a good scientific research enquiry.” For that reason, these research good features are briefly detailed and analysed below:

##### **4.8.1 Research Method Validity**

Sedisa (2008) writes that “all kinds of research enquiry are fundamentally undertaken to serve a specific purpose and that ultimately translate into understanding the value attached to the research findings and the extent of the research validity”. In addition, Hall and Hall (1996) make the argument that “research validity method is actually a means of measuring research accuracy, meaningfulness and credibility of the data and outcomes.” In principle, “the validity concept may well be confined to the tools that are used in a research enquiry, which then refers to the extent to which the tool actually measures what it is purposed to measure in line with established practice” (Bell, 2005:66; Hall & Hall, 1996:44). In other words, the research tools and general research are fundamental to

reflect validity aspect in order to ensure that the research results show all levels of credibility and acceptability in the community (Neuman, 2007:51; Sedisa, 2008: 250). Therefore, research results need to be verifiable to ascertain validity.

The qualitative research approach, validity is regarded in terms of “the honesty, depth, richness and scope of the data achieved, the participants approached, the extent of triangulation and the disinterestedness or objectivity of the researcher” (Cohen, 2000:107). This is similar to the opinion that the research leads to an in-depth research enquiry and understanding of the researched phenomenon.

#### **4.8.2 Research Method Reliability**

According to Bell (2005), “research method and/or data collection tool reliability measures the extent to which the technique produces similar results under normal circumstances on all instances. To note, this might seem like a rather too ambitious statement but in simple terms it basically means that the consistency and trustworthiness of the results obtained during a usage of a particular method are guaranteed. Reliability measurement is predominantly used in the quantitative research method but is also applicable in the qualitative research method in a most valuable manner”. Silverman (1994) argued that the only way “to realise a reasonable degree of reliability in qualitative research is when each informant understands the questions in the same way and if answers can be coded without the possibility of uncertainty. It therefore appears that the interview questions are prepared clearly and ensure that the pre-testing of interview is conducted. Pre-testing can improve the reliability of a research method, particularly in the qualitative approach.” This can also enrich the value attached results (Sedisa, 2008: 252). In addition, the quality of research can also be enhanced by taking into account the research ethical issues, which are expounded below.

#### **4.8.3 Ethical Consideration**

Firstly, in social sciences field or discipline, every research enquiry often attaches human beings as the research subjects. Neuman (2007) writes that it is important in social science to take into cognisance the ethical issues, requirements and concerns that are associated with the research that the researcher intends to undertake. The Oxford Advanced

Learners Dictionary (1995) defines ethics as “a system of moral principles or rules of behaviour or conduct which provides for the creation of an enabling environment”. In other words to be ethical before and during research is to be constantly adhere to research accepted norms, practices and standards. Andoh (2012:33) writes that scientific research is well expected to show evidence of ethical conduct through the knowledge and permission of the research subjects. As a result, this study adhered to pre-determined ethical guidelines and practices to an extent that both the letter of request to conduct research at the research site and the consent letter were sent and received back from the Buffalo City Metro. The letters clearly stated that information obtained would only be used for the purpose of the study. On the basis of this explanation and assurance, permission was granted.

Before the scheduled interviews with informants, a research information sheet accompanied by a consent form was sent to the informants. The subject information sheet consisted of all the information considered relevant to the study (**see Annexure B**). Participants were interviewed using the approved interview sheet or schedule which contained the required information relevant to the success of the study. Equal to that, serious care was taken during the data collection process “in ensuring that the research did not negatively impact on any of the respondent’s privacy” (Babbie and Mouton, 2001:240). In all the processes of this study, anonymity, privacy and confidentiality of data were maintained throughout. As such, the study fully complied with all the ethical requirements expected from all researchers.

#### **4.8.4 The Research Results Distribution**

The research results of this study will be made available to the Durban University of Technology (DUT) library in the form of a bound document. The copyright of the thesis resides with the Durban University of Technology and the university will decide on its distribution. In accordance with the university regulations on Master’s research reports presentation, one journal article emanating from the study has already been published in an accredited journal. More findings will continue to be distributed through academic research publications. In the event that the Buffalo City Metropolitan Municipality wants to see the results of this study so that it could implement some of its recommendations,

proper arrangements shall be made by the research to seek permission from DUT so that all university policies guiding research are adhere to.

#### **4.9 CHAPTER SUMMARY**

In conclusion, this chapter has outlined the research methodology and research methods that were used to carry out the investigation which formed the theme of the study. It is important at this juncture to re-state the exact methods that were used in data collection in this research project. This chapter outlined the research methodology issues. Within this context, a distinction between research methodology and methods was drawn with the view to assist readers. Ultimately, the key approach used in this research, namely; the qualitative research approach, has been discussed and analysed in this chapter. Generally, while it is true that the study followed the qualitative approach, it is true that some statistical data were also collected. In that sense, both approaches (qualitative were used even though the main focus was on the qualitative paradigm).

In principle, qualitative research focuses on how individuals and groups perceive and understand their social environment and interpret their sensory from their experiences. It therefore seeks to have in-depth understanding of human behaviour and circumstances. On the other hand, the quantitative research approach emphasises the measurement and analysis of casual relationships between pre-set variables. It therefore involves the measurement and use of statistical aggregation in order to generalize the results. A survey research method has been analysed in this study. The data collection instruments that have been discussed and that were analysed for this study have been discussed in this chapter. The data collection instruments were stated as: the questionnaire, interviews and direct observation. This chapter also emphasised the adherence to ethical standard requirements in order to protect the informants and ensure validity and reliability of the research results. Moreover, this was done in order to comply with good research practice and abide by the research rules that govern similar projects at DUT in terms of the institution's research policy. Data collected are presented and analysed in the next chapter, which is chapter four.



## **CHAPTER 5**

### **DATA PRESENTATION AND ANALYSIS**

#### **5.1 INTRODUCTION**

In social sciences, data collected using whatever types of sources remain meaningless until they have been thoroughly, appropriately and systematically analysed in order to translate them into meaningful knowledge that can be shared with others. In essence, data analysis is a stage in a first-hand research project where the researcher intends to make sense of what has been discovered during the research or investigation. In addition, the researcher analyses and interprets the collected data in order to determine their meaning and implications for the future – both in terms of the study under investigation and in terms of future studies on the same theme. The previous chapter presented a conceptual framework in the form of research methodology and the basis for undertaking an empirical research on the theme of this thesis. The current chapter aims to present the findings of the study as its contribution to knowledge.

Broadly speaking, during the study, it was discovered that the MIG was developed in 2003 to promote socio-economic development planning and government service delivery partnerships with the private sector within the legislative framework towards sustainable provincial (Eastern Cape) economic growth, job creation, poverty eradication and redistribution of income. It was also found that although the MIG was a National and Provincial Government's responsive measure towards the improvement of the local government infrastructure, the Buffalo City Metro, through MIG and LED strategy, managed to improve the social and economic conditions of the BCM community at large. This was fuelled by the fact that BCM had a much better political stability unlike in previous years. In the context of this study, attention in the present chapter will be given to the objectives of the study outlined in Chapter 1, and thereafter aligned with the findings of the study. The

rationale behind this decision is to ensure that the findings are directly linked to the study objectives.

The following are the main objectives which the researcher set out to attain by means of this study:

1. To examine the socio-economic impact of the Municipal Infrastructure Grant (MIG) in the provision of key basic services in the Buffalo City Metropolitan Municipality [BCM];
2. To investigate challenges and benefits on the implementation of the selected MIG projects in the Buffalo City Metropolitan Municipality.

The secondary objectives of the study were:

1. To analyse the socio-economic impact of MIG housing projects in the BCM;
2. To evaluate the existing MIG framework used by the Municipality in implementing the projects; and
3. To make recommendations on the new framework that could be used by the municipality.

Within this context, the present chapter contains the presentation and interpretation of data and findings emanating from the data gathered during the study guided by the objectives listed above. The chapter goes on to analyse data collected on the extent to which the MIG has improved the socio-economic development in the Buffalo City Metro. The first section presents the biographical information of the respondents, whereas the second part provides qualitative analysis in the form of presenting the results based on interviews that were conducted during the data collection process.

The bulk of the chapter reports on the views and perceptions of the respondents on socio-economic development impact resulting from the MIG intervention in

Buffalo City Metropolitan Municipality. The third part is an analysis of the responses from the BCM respondents.

## **5.2 RESULTS OBTAINED FROM THE RESPONDENTS**

The empirical data were gathered through various instruments including interviews with various informants as well as document analysis and reviews. These sources were orderly processed, classified and analysed in order to ensure validity and reliability of the research output. Interpretations of these findings will allow the process of making sense of the results presented and ensure that there is clear examination of the implications of the application of the MIG within a broader spectrum of the theory and practice of public administration and management (Pollit and Hungler, 1993:41). The responses received from the purposively selected respondents from the Buffalo City Metropolitan, who deal with infrastructure development, social and local economic development interventions are presented and discussed below in tables for ease of reference and interpretation. As a result, the following analysis covers data collected through these instruments or techniques, which analysis is presented below.

### **5.2.1 Case Study of the Municipal Infrastructure Grant**

The Municipal Infrastructure Grant (MIG) since its introduction gained momentum and became the first infrastructure development policy document produced by the Provincial Department of Local Government in response to the social and rural economic development challenges that faced the country, and poverty eradication becoming the centre of attention (DPLG, 2007:3). The MIG programme aimed at “providing all South Africans with at least a basic level of service by the year 2013 through the provision of grant finance to cover capital cost of basic infrastructure for the poor” said the then Honourable Minister Sydney Mufamadi (Department of Provincial and Local Government, 2006).

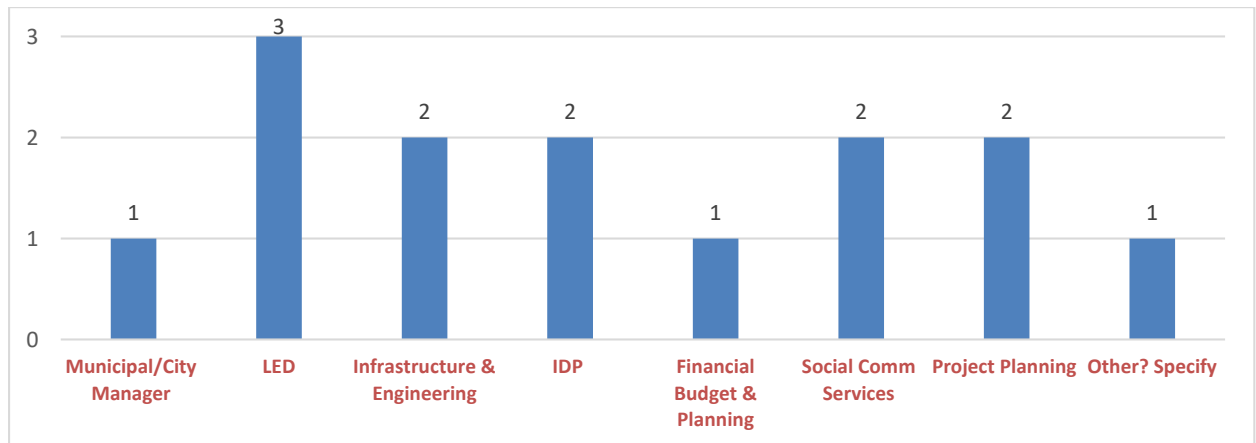
## 5.2.2 Data from Interview Schedules

A total of 20 municipal officials were targeted for the study and one-on-one interview schedules were requested. However, fourteen (14) respondents agreed to the interview schedule and the other six (6) were not available due to their personal reasons. Therefore, the analysis presented in this chapter is based on the fourteen, constituting 70% of the targeted number and found to be useful for the study.

### 5.2.2.1 Biographical Information of the Respondents

The number of respondents included officials in Buffalo City Metropolitan Municipality who were directly involved in infrastructure project planning, implementation, management, socio-economic development and the entire service delivery interventions within the BCM metropolitan municipality. The bar chart below shows the distribution of the informants according to their posts or positions at the municipality.

#### A. Respondent's Work Post/Position



**Source:** Compiled by the author

The sample provided in Chapter 4 categorised the respondent's portfolios as follows: city managers, executive directors and directors responsible for LED, Infrastructure & engineering services, Integrated Development Planning, Financial

Budgeting and Planning, Social community services, project planning and labour. The majority of respondents were LED directors with 21.4%<sup>1</sup>, followed by Infrastructure, IDP, Social Community Services and Project Planning with 14.3% each (combined is 57.1%) and Municipal manager, Financial Budget & Planning, and the rest falling under the 'other' option showed (7.1%).

However, in terms of each category, LED response was 100%<sup>2</sup>, Infrastructure – 100%, IDP – 67%, Financial Budget & Planning – 50%, Social Community Services – 67%, Project Planning – 67% and other – 50%. It can be said that the population mentioned in the targeted sample population was reached, and participated in the interview schedules. It was also pleasing to see the level of participation by officials who were directly involved in the rolling out or implementation of the MIG in the BCM.

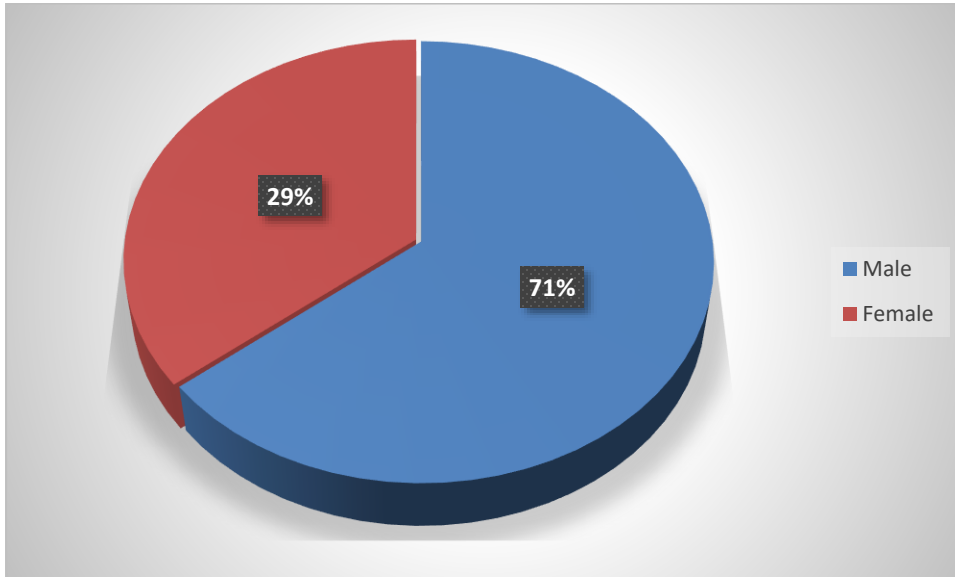
Gender identification becomes critical in making the sample representative and was done accordingly. The municipal officials the study targeted and interviewed included both males and females. Thus, males constituted 71% and females 29% of the sample respectively as reflected in the pie chart below.

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<sup>1</sup> The method for calculation of these percentage is the total number of responses per category divided by the total number of interviews conducted which is fourteen (14) then multiplied by 100. For example; LED (with total of 3)  $3/14*100 = 21.4\%$ .

<sup>2</sup> The method for calculation of these percentage is the number responses per category divided by the total number of each category's targeted interviewees then multiplied by 100. For example; LED (a total of 3 participants was targets and out of the 3 all of them participated in the interview) which is  $3/3*100 = 100\%$ .

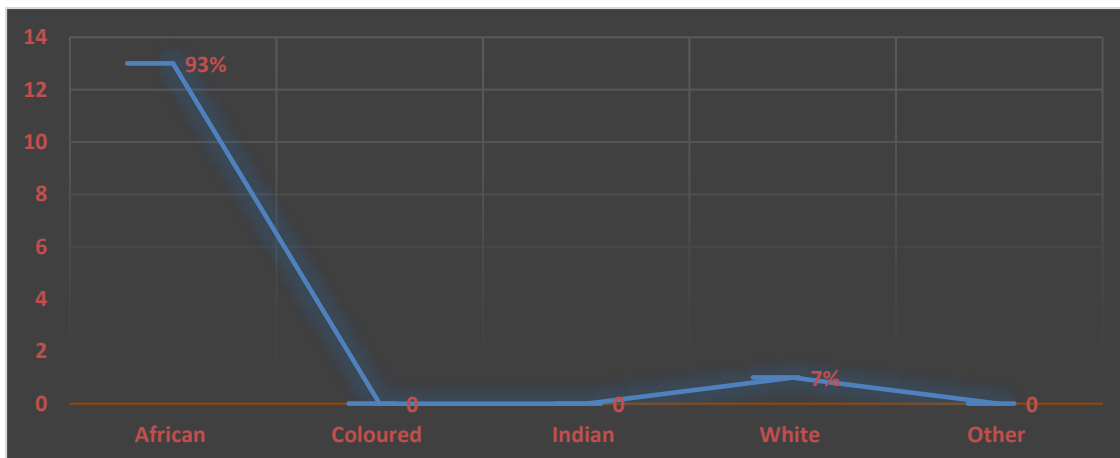
### B. Gender distribution of the informants



Source: Compiled by the author

At the level of management, the findings revealed that males dominated with 71%, whilst females sat at only 29% even though more women than men were interviewed. This means that females may need to be empowered with certain skills to enable them to also be on the executive. Another variable that was considered in the analysis was gender. As such, the gender distribution of the informants was subject to an analysis. The results are presented below.

### C. Racial distribution of the informants



Source: Compiled by the author.

In terms of race representation, the findings showed that Black Africans dominated with 93%. Whites constituted 7% and the rest of the racial categories showed non-representation. Although this reflection did not have any direct link to value adding to the study in terms of theory, it provided the basis for understanding the race demographics behind the officials that completed the questionnaires. However, this is not an overall reflection of the municipality but the figures are simply based on the 14 officials who participated in the study.

### **5.3 MANAGEMENT STRUCTURE OF THE MIG PROJECTS**

This thesis is the result of a research project conducted by the researcher in the Public Management & Economics at the DUT, South Africa. This section summarises the evidence from the survey of operational MIG projects in the metropolitan governments in the Eastern Cape Province, based on the key issues set out in the questionnaire (See Appendix 1).

The study results show that the MIG project has a management committee, where most of the committee members are also highly involved in the operational side of the project that makes it more stable. As revealed by the study's findings, 75% of the interviewed respondents were directly involved in the establishment of the project committee and the establishment of the project or organisation, whilst 25% of the personnel interviewed were not part of the establishment but were represented by their executive directors who were very aware of what the MIG committee entailed. The MIG Project committee was established for the purpose of ensuring effective and efficient implementation of all infrastructure projects, leading to socio-economic development of the municipality. The MIG committee consisted of all municipal officials whose mandatory functions talk to infrastructure development, local economic development, as well as social and economic development towards sustainable development and growth. Stated importantly, the MIG project committees were elected democratically in terms of the Municipal Systems Act (Act 56 of 2003) and the Municipal Structures Act (Act 117 of 1998) in order to fulfil the municipal service delivery mandate.

The results show that 90% of the MIG committee members had their roles and responsibilities very clearly defined. At the same time, 87% of the informants stated that MIG management meetings were held every quarter to check the progress and challenges. As revealed by the study, 10% shared a different view with regards to clearly defined roles and responsibilities by one of the respondents saying “this MIG meetings are privately communicated to certain individuals.” This then suggested that there were internal politics in this space. It is therefore important to note that the BCM management resolves such internal politics as they risk the effective and efficient delivery of basic services to the general public. Table 5.1 below presents the MIG project management performance results.

**Table 5.1. MIG Project Management Performance Results**

<b>PROJECT MANAGEMENT PERFORMANCE KEY MEASURE</b>	<b>FREQUENCY/O R Yes or No</b>		<b>PERCENTAGE DISPLAY</b>		<b>TOTAL</b>
BCM HAS MIG MANAGEMENT STRUCTURE	YES	NO	75%	25%	100%
MIG PROJECT STRUCTURE HAS CLEAR ROLES AND RESPONSIBILITIES	YES	NO	90%	10%	100%
MIG MANAGEMENT MEETINGS CONDUCTED	Yes(Quarterly)	NO	87%	13%	100%
<b>OVERALL REFLECTION</b>			<b>84%</b>	<b>16%</b>	<b>100%</b>

**Source:** Compiled by the author

This implies that the municipal officials who are part of the MIG project were active participants in the MIG project planning, management and implementation. It is common reality that no government can single-handedly deal with the triple challenges of poverty, unemployment and inequality without spatial planning and infrastructure development towards the creation of vibrant local economies. It can therefore be deduced that the key element for project sustainability is the effectiveness of the management structure responsible.



### **5.3.1 Good Governance Measurement**

One of the key success factors that contributes to efficient and effective management of any project is the adherence to the relevant legislations and prescripts. The study shows that 50% of the interviewed respondents believed that the MIG project was managed according to the governing legislation whilst another 50% remained adamant that the metro never used proper channels in implementing the MIG. In this regard, one of the respondents said the following:

...the project committee that we have here does not do a mere simple things of consulting internally and how much more the community? In actual fact this on done for compliance which we are always found wanting as the metro when the time audit comes.

This balance of views indicates that the metro would need to consider the usage of the Back to Basic framework in order to have its employees' common understanding of what is expected and what needs to be delivered to the people.

## **5.4 THE IMPACT, OUTCOMES AND SUSTAINABILITY OF THE MIG PROJECT.**

As per the primary aim of this study, it is significantly important for the projects to have contributing factors to the community; namely, the impact which can be measured through the actual outcomes or by conducting impact assessments of the projects. Furthermore, impact is measured by the level of employment that comes about as a result of the project. Importantly, plans or strategies around the project sustainability continue to be a major element to ensure continuous sustainable socio-economic development and shared growth. Most of these projects are well-funded by different institutions but if there are no sustainability

plans of these projects this implies that they are doomed to fail and that there has been unjustified funding towards them (Mditshwa, 2012: 91).

In response to the impact and the outcomes of the MIG project, the study showed that 78% of the interviewed informants agreed that the MIG project had a positive impact in the BCM region in terms of job creation, poverty reduction and local economic development. However, it should be noted that 22% of the interviewed respondents disagreed with the notion. Instead, they mentioned that the Municipality was still faced with high levels of unemployment, especially the young graduates. Following are some of the responses from respondents:

***Has the project increased employment?***

Yes certainly, it started off with 5% on the former infrastructure programme, and took baby steps by rolling out small MIG project which benefited a lot of emerging entrepreneurs in different fields, which is then a positive contribution to job creation because these companies employ other people to do the job, now I think we have achieved more than 5% of our targeted employment target.

***What is economic benefit of the MIG to the Metro?***

Economically, the metropolitan managed to revitalise a number of entry roads, in-road and main roads within the metro and that alone translates into economic growth because by doing so we are creating economic opportunities. Now, with East London Industrial Development Zone for instance there a free flow of goods in our roads from the produce to the seller, making it faster, efficient and safer to do business in East London.

Apart from the good positives that the metro has enjoyed since the introduction and implementation of the MIG programme, the interviewed respondents shared the view that the introduction of this programme enabled most people within the metro who were directly involved with great opportunities for skilling and learning in order to improve the overall performance of the metro. But some respondents felt that the metro would have achieved a lot if it were not for the long supply chain process and political interferences in poor administration matters. This was based on the fact that the MIG programme had money injected into it as ring-fenced grants, which then drew a lot of political attention. Be that as it might have been, the fact remains that the majority of the interviewed respondents were confident to share tangible outputs that resulted from the implementation of the MIG project in the BCM. Amongst others, was the mention of revitalisation of the oxford roads, RDP houses, and the electrification of communities, all of which were most related to construction. With these projects, the respondents were still adamant that a lot still needed to be done in ensuring that no household in the BCM has no electricity and access to clean water.

It goes without saying that the MIG project brought rapid change in the lives of people in their locations, and poverty levels decreased significantly while at the same time employment increased, although with a small margin. The impact in relation to the actual outcomes of the project is positive; it is measurable and the socio-economic development in these areas has improved with more than 60% of the interviewed respondents who agreed with the notion and less than 40% were in disagreement.

**MIG Sustainability:** According to Mditshwa (2012), project sustainability is never just about putting up nice works but the actual plan and work done that constantly keeps the project running within the project planning cycle. The response from the respondents showed that 55% of the respondents who believed that the project was sustainable based their views on the fact that the metro would be able to maintain its current infrastructure if the MIG was continued. On the other hand,

45% of the interviewed respondents believed that the project was not sustainable because of the decreasing financial injection into the infrastructure programme yet the needs of the communities are rising at a very fast rate. The interviewed respondents expressed their views as follow:

Yes, the MIG project has the potential to sustain itself, as we utilising funds from National government. However, the MIG terminology has now been changed into something else but the same functions. But the main challenge is the delay in transfer of these MIG funds to the metro.

On the other hand capacitated human resource aspect is crucial in ensuring the when the infrastructure grants becomes available projects are ready for implementation, which translates into project sustainability than to start planning when funds are available.

It is pleasing to note that the majority of the interviewed respondents have confidence in the sustainability of the MIG project in the BCM. Table 5. 2 below presents positive aspects behind MIG sustainability as per the project participants.

**Table 5.2: Positive Aspects Contributing to MIG Sustainability**

KEY FACTOR DESCRIPTION	Frequency	(%)
Community Participation and Involvement	11 <sup>3</sup>	78.6 <sup>4</sup>
Financial Managements	10	71.4
Capacity Building of Employees (who are directly involves with MIG projects)	10	71.4
Stakeholder Involvements	9	64.3
MIG Steering Project Committee	12	85.7
<b>Total</b>	<b>66</b>	<b>74.3</b>

**Source:** Compiled by the author

<sup>3</sup> This a total number of interviewed respondents who believed that the MIG was sustainable as the result of community participation and involvement out of a total of 14 interviewed respondents.

<sup>4</sup> The formula used is  $11/14*100 = 78.6\%$  which is applicable to all.

The results shown above indicate that 78.6% of the respondents were of the view that community participation and involvement led to the sustainability of the MIG project based on the fact that provision of infrastructure needs to the community of the BCM was community based not a simply thumb sucking. The interviewed respondents had a strong view with 85.7% arguing that the establishment of the MIG project steering committee contributed greatly to the sustainability of the MIG. This was based on quality and availability of technical skills which is shown above as 71.4%. It is also pleasing to note that the respondents strongly believed that sustainability can be certainly realised through stakeholder and financial resources management. From the above table, it can be deduced that for the BCM, MIG has sustainability prospects and can still be a major enabler in the creation of a vibrant economy that is able to contribute to poverty alleviation, unemployment and inequality that exist in the region and the province at large. This, in other words, means that for any project to be successful it should take into account all the needs and aspirations of all interested stakeholders. Almost all government developmental base documents put emphasis on capacity building in order to improve the performance of the organisation.

It can therefore be deduced based on the literature of this study that for the municipality to be able to maintain its infrastructure it needs to be self-sustainable. It can achieve this goal by consolidating its revue collection methods and by capitalising thereon. Equally so, it is important to measure the poverty level to determine the extent to which the MIG implementation process has contributed to poverty alleviation in the BCM since the introduction of the grant. To measure poverty, time, energy and money are of great significance since it can only be done properly through survey data gathering directly from households. However, the study makes more emphasis on the socio-economic impact of the MIG, in terms of trying of put poor people on the metro's agenda. The relationship between poverty and education is particularly important because of the key role played by education in raising economic growth and reducing poverty.

## **5.5 LESSONS LEARNT**

There is a view that “In general, our government is well good when it comes to document/concept or framework development but the key challenges that is constantly a hindrance to development in South Africa is poor implementation, leading to delayed or even non service delivery. As the result, community service delivery protests lead the media space closing gap for good stories behind what government has done”, one respondent said.

Moreover, “Being part of the MIG team, I have learnt a lot of things such as understating the needs of community first, then project planning, management and implementation in line with the mandate of the metro. You also do know that in any municipal space community needs are endless and that imposes a lot of pressure on us as administrators in ensuring that the needs of the people are dealt with. And at the same time, local economic development is very important to us in order to create jobs for our people and create sustainable LED growth”, said one positive respondent.

From the two singled out views from respondents, it can deduced that the MIG project in the BCM made a meaningful contribution in the improvement of the social and economic status. The evidence showed that poverty levels dropped and unemployment dropped as well with a light percentage considering the socio-economic dynamics of the metro, fuelled by political instability in the recent past.

## **5.6 CHAPTER SUMMARY**

This chapter presented the results of the study. This was done firstly through the presentation of the biographical information of the respondents. Qualitative interpretation of results based on the interviews that were carried out with MIG project members was also done in order to give meaning to the information obtained and reported on. The chapter concluded by reporting on the views and perceptions of the project members in assessing the socio-economic impact of the

MIG project in the Buffalo City Metro. The next chapter focuses on the general conclusions of the study and makes some recommendations emanating from the study's findings.

## **CHAPTER 6**

### **SUMMARY, CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS OF THE STUDY**

#### **6.1 INTRODUCTION**

In social sciences, the importance of any scientific study should be reflected in the conclusions and recommendations it culminates into. These conclusions must be equally contextualized in terms of the research problem and/or research questions linked to the primary purpose of the study on which the findings are based. This revolves around the socio-economic impact of the MIG project in the Buffalo City Metro. Therefore, the purpose of this last chapter is to pull the study to its end by presenting a summary of conclusions, and recommendations based on the literature review and the interviews findings. Lastly, it highlights some of the limitations of the study on which future studies could build.

The Constitution of the Republic of South Africa, 1996, Section 151, makes a provision for the establishment of the local government sphere as a distinctive, interdependent and interrelated sphere of government which is the closest to the people than the provincial and national spheres. The Local Government sphere is fundamentally established to democratically govern and deliver services to the people within its jurisdiction in partnership with the provincial and national government spheres yet interdependently and inter-relatedly. In addition, the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), as amended, makes provision for the establishment of local government in line with municipal categorical requirements, which must be in line with the developmental local government vision, and equally place the contemporary municipalities in a “radar of success to fulfil their constitutional obligations to ensure sustainable, effective and efficient municipal service delivery, promote social and economic development, and encourage community participation in local governance to meet the socio-economic needs of the people” (Mufamadi, 2001:4).



The South African government, like any other developing country has limited resources at its disposal in discharging its constitutional mandate, leading to the provision of services inadequately or even not at all (Shafritz & Hyde, 1997: ix; Try & Randor, 2007:656). Although, the public sector across the globe has massive responsibility with limited resources, it is perceived to be non-responsive to the needs of the people and therefore jeopardising the general welfare of the population. Interestingly, the counterpart, on the other hand, the private sector has both resources and skills that can be joined to complement those of the public sector in the provision of public services (Scharle, 2002: 229). As a result, this study revolves around the infrastructure development within the metropolitan governments in the Eastern Cape Province towards improved socio-economic development of the province.

In terms of the Municipal Service Partnership Policy (2000), in valor of improving the social and local economic development, municipalities are permitted to forge synergies in the form of sustainable partnerships with the private sector and civil society in speeding up the provision of public services. In this regard, the metropolitan government has the responsibility of ensuring that all partnerships are planned in a way that prompts continuous training and development, and coaching and mentoring system of the municipal employees in order to create the needed capacity. This is aimed at improving the local sphere of government human capacity in order to effectively and efficiently manage socio-economic development initiatives, and to equally redistribute local economic resources meaningfully. Consequently, the social and LED of the metropolitan government would be improved and sustained through Municipal Infrastructure arrangement (Binza, 2009:250).

Randor (2007) writes that “over the years the quality of public service rendered to the general public has declined almost as rapidly as the price of service(s) has gone up.” Local authorities tend to be more efficient and effective in serving the

needs of the producers and suppliers rather than being efficient in responding to the needs of the people.

## **6.2 STUDY SUMMARY**

The intervention by all the sectors in the circle of socio-economic development, through infrastructure development, have received considerable attention due to the perceived shortcomings directed to the metropolitan governments. This is based on the fact that the central purpose of the public sector and the concomitant public administration is to improve the quality of life of the citizens by providing the necessary public services. In this regard, Hughes (1998:9) observed that governments in some countries were too large and therefore utilised the scarce resources. Such governments were too large because they were involved in just too many activities and were largely plagued by inefficiency. On the other hand, the public confidence in the ability of government to carry out numerous tasks in a most efficient and effective manner is on the wane, requiring a change in the way government business is conducted (Shafritz & Hyde, 1997).

In context, this study aimed at assessing the socio-economic impact resulting from the MIG project in the Buffalo City Metropolitan Municipality. The study intended to make a meaningful contribution to both the metropolitan government and the private sector in putting together efforts towards the fight against the triple challenges facing the metro, i.e. poverty, inequality and unemployment. On the other hand, the study aimed to assist with identification of major MIG implementation challenges and identification of means of addressing them. The key objectives of this study were to assess and analyse the MIG socio-economic impact, determine and explore key constraints and challenges facing the implementation of MIG poverty relief projects and most importantly to provide recommendations on the most suitable methods to better the implementation of infrastructure development project. Furthermore, the study intended to examine the most necessary skills and knowledge needed to implement successfully the

MIG while contributing to social and economic status of the metro. Consequently, it contextualised the legislative framework for socio-economic development, infrastructure development amongst other legislations included. The Constitution of the Republic of South Africa (Act 108 of 1996), White Paper on Local Government (1996); Local Economic Development Policy Paper (2002) and other pieces of legislation.

The nature, place and meaning of Municipal Infrastructure Development Grant towards social and local economic development of BCM were explored in detail. Additionally, key role players in local government development were identified and discussed their individual responsibility in realising the underpinning socio-economic developmental needs of the metro.

The qualitative research methodology was used in conducting the study. The researcher purposefully targeted MIG project members from BCM as outlined in Chapter 3. The study used semi-structured interviews to collect data from the respondents and made use of document analysis and review. The interviews were translated literally and analysed to brighten the participants experience with MIG implementation. The study discussed the results in line with the themes that were set in the literature review, which led to the study's primary research questions. To substantiate the themes, direct and indirect quotations were used.

In summary, the study identified the following factors that would contribute in enhancing socio-economic development through MIG:

- Capitalising in Capacity building.
- Ensuring public involvement and participation in MIG development and implementation.
- Ensuring stakeholder engagement and involvement with detailed outline of the responsibilities and roles towards the implementation of the MIG.
- Engaging in Municipal-Private Partnerships to fast-track the rolling of infrastructure development projects, and

- Monitoring and evaluation of the MIG projects in order to measure relevance and impact.

It is fundamentally important for the Buffalo City Metro to take into consideration the above factors for the purposes of social and local economic development of the metro that will ultimately contribute to poverty alleviation, rural development and sustainable economic development growth.

### **Metropolitan Government**

In this study, the metropolitan government has been viewed as the entirety of organisations or institutions that are politically established and maintained with a mandate of promoting the quality of life of the citizens by providing municipal services (Van Niekerk, 2002:91). It serves to plan, determine and implement, among others, socio-economic goals with a strong view and attempt of developing local economies and social services for the citizens towards sustainable development. Consequently, the metropolitan government implements a number of functions which are embodied in at least three types of states, namely the guardian state; the redistributive state; and the productive state (Lane 1994:65 cf. Sedisa, 2008: 304). On the other side of the coin, Scharle (2002:228) is of the view that the metropolitan government plays a significant role of attending to public interest, stewardship, and solidarity. Therefore, the metropolitan government pursues government objectives that derive from the needs, demands, and legitimate expectations of the society through the legislative, executive, and judicial spheres of government authority (Savas, 2000:21; Sedisa, 2008:305).

According to Try (2007), the contemporary metropolitan government/sector programmes have limited resources coupled by unlimited demands from the communities and the delivery of services happens within a heavily legislated environment. Equally so, the public sector organisations are subject to legislative oversight processes which are often politically driven (Sedisa, 2008:325). All these

challenges tend to limit creativity and innovation in the public sector service delivery environment. On the other hand, Trafford and Proctor (2006:120) argue that a modern-day government should pursue a modernising agenda which aims to “ensure that policy making is coordinated and strategic in nature; ensure that public service users, not providers, are the focus of attention, by matching services closely to people’s lives; and deliver high-quality, efficient public services.”

Subsequently, the focal theme of this thesis is based on the assumption that some of the shortcomings of the metropolitan government can be alleviated by working closely with the private sector institutions. To a larger extent, governments need to utilise the partnership arrangement as an alternative method to service delivery, mainly because the currently available public funding alone is not enough for the infrastructure public service requires. It is therefore necessary to establish, in a summary form, the nature of the private sector organisations before the collaborative work referred to above can be summarised.

With regards to continuous technological development discoveries, the private sector organisations are often at the forefront, characterised by commercial dynamism, and often imbued with entrepreneurial skills all of which can be used to enhance the provision of public services. In the context of Municipal Partnerships, the private sector encompasses multinational corporations, major companies as well as small, medium and micro-enterprises (Nzimakwe, 2006:50). One of the pressing reasons for engaging multinational corporations is that they often bring into the host country the much needed foreign direct investment as well as the skills that may be lacking in the country. Importantly, the provision of public infrastructure and/or services normally requires a number of skills and professions to be harnessed in pursuit of common pre-determined objectives (Wettenhall, 2007:393). Consequently, the private sector in relation to PPPs is often a consortium of different organisations (Coulson, 2005: 145).

Officer (2003:14) wrote a book on *The Respective Roles of Government and the Private Sector and Public/private Partnerships*, which focuses on mainstreaming the government in economic development matters and private sector on performing some of the traditional functions of government. Therefore, the role of local government is considered to be that of "facilitating economic growth and providing an enabling environment for the private sector to create jobs" (IDP of BCM, 2014/15:50). The contribution of the metropolitan government to the improvement of local economic conditions without the involvement of the private sector would continue to be limited and would produce mixed results (Local Government: Municipal Systems Act, 2000:44; Municipal Finance Management Act 2003:16; National Treasury Regulation 16, 2004: 2). The view is that metropolitan government and the private sector "must have a shared responsibility to improve local economies so as to combat poverty, underdevelopment, and reduce unemployment" (Parker and Saal, 2003: 4; Posusney and Cook, 2002: 68 & 138; Binza, 2009:228).

There is a view that "By mobilising the resources of urban communities, government and the private sector we can make our cities centres of opportunity for all South Africans, and competitive within the world economy. The success of this will depend on the initiative taken by urban residents to build their local authorities and promote local economic development" (Nel 2001:1003; Mandela, 1995:5). From the above quotation, it is important to note that the change by local government from providing services on their own to involving the private sector is not a simple exercise (Leach *et al.*, 1996:11). Leach (1969:2) writes that metropolitan governments "have to work more through a complex network of partnerships, contracts and influence in order to achieve service delivery and local socio-economic development".

Local government must request its council or appoint a regulatory body to "regulate prices to protect the public or customers and taxpayers from inefficient and unfair

price increase in particular cases where the private sector provider has no competition" (ibid.:142).

### **6.2.1 Municipal-Private Partnership**

According to Nzimakwe (2006:51), Municipal-Private Partnerships (MPPs) “are partnerships between the municipality and the private sector for the purposes designing, planning, financing, constructing and/or operating projects that would traditionally be regarded as falling within the remit of the public sector.” In the same context, MPPs/PPPs involve the use of private sector capital and expertise in the provision of public infrastructure and/or services through a legal contract in which the private sector works collaboratively with the public sector organisation ( Nisar, 2007:1148). In the light of the imbalance between the constantly increasing public services demand and available limited resources, it is important to consider alternative strategies for delivering and improving public services. As a result, the use of MPPs in the provision of public services to citizens can be considered as one of the viable options that are largely used in many countries to provide sustainable public services in a cost effective manner (Smith, 2000: 120). Therefore, MPPs/PPPs refers to structured contractual agreement between a public sector organisation and one or more organisations from the private sector in order to jointly provide public infrastructure and/or services and share the gains as well as the losses over a period of time (Becker & Patterson, 2005:126).

Based on the above definitions, it can be deduced that MPPs/PPPs are one kind of partnerships that present the opportunity for both the public and private sector organisations to form beneficial cooperation. MucMurray (2006:240) concurs by suggesting that this kind of cooperation should be stimulated by common perceptions of the limits of adversarial relationships and virtues of co-ordination and cooperation in order to tackle a major and indivisible problem that is beyond the capacity of any one organisation operating in isolation. One of the noticeable features of MPPs/PPPs is that risks are strategically and operationally allocated to

the organisation that is better placed to manage them. Conversely, from the view of the private sector, risks are linked to commercial products to an extent that their price is attached (Grimsey & Lewis, 2002:248).

The success of the MPPs/PPPs project depends on the selection of the private sector based on merit, and it should possess the requisite skills to cost effectively and efficiently deliver the required service. Furthermore, for an MPPs/PPPs project to be successful, it must be led by a scientific study that demonstrates its feasibility as a project of this particular nature.

### **6.3 RECOMMENDATIONS**

Chapter 4, focused on data presentation and analysis. It is therefore, proposed firstly from an academic point of view that Public Administration should be subdivided into a specialised field called Eco-Public Administration to enable the Public Administration scholars to adequately provide the public services with full understanding of the dynamics in public administration. This will fundamentally enable scholars and researchers to conceptualize all concepts in Public Administration and Management such as MPP/PPP, NPM and LED among others. The following recommendations are based upon the findings and conclusions of the study:

- It is crucial to adopt a project management model towards effective implementation of MIG projects in the metropolitan government and South Africa at all levels;
- There is a need for sustained MIG awareness, training and community education for the public, as a fundamental tool to the mainstreaming and success of the MIG project in South Africa, and beyond. MIG courses should be developed at various levels and used for training MIG



implementing officers, and according to the findings, the slow implementation of infrastructure development and provision of social services in South Africa is due to capacity and finance constraints resulting from inadequate utilisation of the MPPs/PPPs approach in the procurement, development, and management of government projects;

- Where appropriate, the use of MPPs/PPPs should be adopted as an alternative procurement strategy, since the research findings indicate that it delivers benefits due to budget restrictions in public sector capital budgets;
- There is a need for metropolitan governments and other MPPs/PPPs implementing agencies to build and sustain capacity;
- There is a need for training in project management skills for accounting officers and other staff to be able to conceptualize MPPs/PPPs (in relation to MIG projects) viable projects, in order to increase projects throughput;
- The research findings show that the existing MIG policy framework and guidelines in South Africa are adequate, and if properly interpreted and applied can be catalyst for more infrastructure projects and spur growth in the infrastructure sector;
- MIG guidelines and implementation toolkits should be standardized; and
- The various agencies should adopt an MPPs/PPPs approach, where appropriate, in infrastructure development and service delivery.

The socio-economic status is best achieved when all the developmental factors are followed and taken into cognisance. Project members participate in the establishment of the poverty alleviation project which means that the community is

largely aware of its challenges and needs, and in simpler terms they know what they want as a community, even individually. They also participate in the planning of the project and are part of the decision making process. This promotes ownership of the project by the project members, and everyone becomes the visionary in this regards. Project members often take a big step by becoming actively involved in the daily operations, and the moment they are involved and participate as owners, that will ultimately translate into project sustainability.

Sustainability of the poverty alleviation projects is measured by the amount of skills and knowledge of the project members, and the ability to use those skills in a most effective and efficient manner. The most effective project implementation factors include, project management, financial management, and business management skills.

#### **6.4 FUTURE RESEARCH RECOMMENDATIONS**

The following future research recommendations are based upon the findings and conclusions of this study:

- Further systemic research should be conducted relative to the causal interrelationships for the various MPPs/PPPs interrelationships factors within the Infrastructure Development and Economic Development environment;
- Research should be conducted on how often MIG performance can be done by conducting a survey so that a trend analysis can inform decision-makers for effective monitoring and control system;
- A comparative study on MIG/infrastructure development transaction costs between South African and other countries should be conducted;

- National Treasury should develop a MPPs/PPPs risk management tool which directly links with MIG planning, monitoring and evaluation in order to measure socio-economic impact; and
- Government departments and municipalities should invest in capacitating the MIG specialists to keep up with the service delivery environment dynamics.

Sound facilitation of the project in a sustainable manner requires that the development managers have skills and capacity. An integrated approach that will put on board the community, project members, funders and other key or relevant stakeholders needs to be encouraged more to ensure the sustainability of the projects.

## **6.5 LIMITATIONS**

No study is without limitations. This one is no exception. The focus of the present study was restricted by various factors/limitations. It is important that such factors be explained. The interventions by National Department of COGTA in response to the socioeconomic challenges, due to poor infrastructure development facing the metropolitan government are of great importance in a developmental state like South Africa. Moreover, the impact of the intervention is also necessary to note as far as socio-economic development is concerned. However, the researcher was unable to interview all the twenty (20) targeted participants in the BCM due to their withdrawal and unwillingness to participate in the study based on their personal reasons. The value of any good research findings depends critically on the accuracy of data collected. Data quality can be compromised via a number of potential routes. Be that as it may, in terms of limitations, the majority of employees participated in the study very well and the researcher managed to get maximum information and support in relation to infrastructure development and socio-

economic impact thereof. However, had all the potential informants participated, the study could have been enhanced.

## **6.6 CHAPTER SUMMARY**

This section draws the discussion down to the conclusions of the Socio-Economic Impact Analysis of the MIG projects in the Eastern Cape, with specific reference to the Buffalo City Metropolitan Municipality. The provision of public infrastructure and the associated services is a major concern to Metropolitan governments due to governments' broader socio-economic objectives. However, organisations in the public sector continue to face increasing demands for more and better public services whilst, in the same breath experiencing financial difficulties in acquiring the necessary resources to deliver such services. Stated simply, the most profound failure of government is in the means to accomplish identified goals and such means could be resources and/or processes that are essential in optimally achieving the identified ends (Mditshwa, 2012: 106).

This study has addressed a number of issues related to MIG – using the Buffalo City Metropolitan Municipality as a case study. What works has been identified and highlighted. Similarly, problem areas or challenges have been enumerated. It is hope that drawing from this study, more research activities will be carried out in future with the view to expand the findings presented in this thesis and to broaden the scope of the research. The present study has set the ball rolling.

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# ANNEXURES

# ANNEXURE: A

## CONSENT LETTERS/AND REQUESTS



64 Bloack C, Reservio  
Belgrevia  
East London

DATE:

THE CITY MANAGER  
BUFFALO CITY METROPOLITAN MUNICIPALITY  
PO BOX 134  
EAST LONDON  
5200

Dear Sir,

**RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH STUDY AT BCMM**

I am a student at Durban University of Technology, completing **Masters in Public Management** . I am sure you are aware that any post graduate study involves completion of a Treatise or Dissertation or Thesis. It is for this reason that I request your personal and professional permission to partake in my research in directorates and departments within BCMM.

The title of my research Thesis is **SOCIO-ECONOMIC IMPACT ASSESSMENT OF THE MUNICIPAL INFRASTRUCTURE GRANT (MIG), WITH SPECIFIC REFERENCE TO BUFFALO CITY METRO MUNICIPALITY**, and is being undertaken under the Supervision/s or Promotion/s of **Dr. Bheki Mngomezulu**.

The objectives and aims of this research are to **Investigate challenges and spinoffs on the implementation of the selected Municipal Infrastructure Grant projects in Buffalo City Metropolitan Municipality. Secondary, to analyse the socio-economic impact of MIG projects in the BCM.** The research study shall make use of interviews/completion of questionnaires with key selected potential participants or respondents, chosen through/according to **probability sampling.** The potential participants or respondents would thus include Executive Directors holding the following portfolios; Municipal Infrastructure, Local Economic Development, Social Community Services, Municipal Labour representatives and Integrated Development Plan office. The study will be beneficial to BCMM in that **it will make meaningful suggestions into MIG development, planning and implementation in order to realise the pre-determined objectives contained therein.**

The ethical research principles will be strictly adhered to throughout the research process so as to maintain a high standard of work and a high quality of the research study. The information obtained will be used only for purposes of this study, and will ensure anonymity and confidentiality of potential research participants or respondents. A copy of the full research report, once approved by the University will be handed to BCMM.

I thus request granting of permission to collect the necessary data/information from relevant officials (and Councillors) at BCMM for the purposes of completion of my Research Treatise or Dissertation or Thesis

Your kind assistance in granting me permission will be highly appreciated and thank you for taking the time in allowing your staff to be part of this research study as I am sure it will not only be of benefit to me but to them as well..

Yours faithfully,

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**(Insert Name and Signature)**

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**CITY MANAGER**

<b>Approved</b>	<b>Not Approved</b>
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# ANNEXURE: B

## SUBJECT INFORMATION SHEET FOR PARTICIPANTS



### Subject Information Sheet for Participants

Hello

My name is **Zolani**; I am a Master's student in Public Management at the Durban University of Technology (DUT). As part of my degree I am conducting a research study on the implementation of Municipal Infrastructure Grant projects and socio-economic impact thereof.

The main aim of this study is to assess the socio-economic impact of the Municipal Infrastructure Grant (MIG) projects in the provision of key basic services in the Buffalo City Metropolitan Municipality.

This serves to request a permission from you to allow me to add and interview you as a participant. Please note the participation in this study is voluntary and that non-participation will have no negative consequences. The research ethics will be adhered to in order to ensure that the participants are not intentionally exposed to any harm.

Please note that you can withdraw from the study at any time, should you feel that you do not want to continue.

The outcomes of this research will be made available to your organizations and all other stakeholders that took part in the study.

Yours faithfully,

Zolani Tafeni  
(Researcher)  
Cell. 0785225345

Prof. B.R. Mngomezulu  
(Research Supervisor)  
Cell. 072 351 1947

# ANNEXURE: C

## INTERVIW SCHEDULE FOR RESPONDENTS



## INTERVIEW SCHEDULE FOR RESPONDENTS

### A. Project Introduction

1. What is the official name of the Partnerships
2. What is the core business of the project in brief?
3. What are the aims & objectives of the project?
4. When was the Partnership Project established?
5. What are the participants' demographics, e.g., age, gender etc.?
6. How the project is funded?
7. What kind of projects does the project have in its operations?
8. Who are the beneficiaries of the partnership project?



## **B. Management structure of the MIG Project.**

9. Does the project have a management Committee?
10. Were you involved in the establishment of the committee?
11. Does the committee possess the necessary skills and knowledge to implement the project?
12. Are the roles and the responsibilities of the committees clear?
13. Does management hold its meetings?
14. How often does the committee hold its meetings?
15. Is the project running according to the conditions attached to, on the grant?

## **C. The impact, Outcomes and Sustainability of the project.**

16. How has the project increased employment?
17. What is the economic benefit of the partnership in the Metro?
18. Has it managed to skill employees or staff?
19. How does the project contribute to household poverty reduction status?
20. What are the tangible outputs of the projects in terms of production?
21. Are there any management systems in place, and trained users?
22. Would you safely say that the compensation from the project is making any difference?
23. How does monitoring & evaluation undertaken measure the outcomes and impact of the project
24. Is the project sustaining itself?
25. If yes, why?
26. If no why?
27. What is target the market for its products?

28. Does the project generate enough income to provide for its stakeholders?
29. Are there any benchmark sustainability strategies from other relevant civil organizations?

#### **D. Lessons learnt**

30. Were there any serious interventions which affected the MIG project implementation in either a positive or negative way?
31. What have been the most important outcomes of this project and did it achieve what it set out to do?
32. Were there any particular barriers or enablers that were crucial to the success or failure of the project. If so, which ones and how?
33. What have you learnt from being part of this project?
34. What implementation model would you suggest to government and private sector?
35. Were there any unexpected hidden costs – whether financial, staffing, time?

**End thank you**