

CHAPTER 1

RESEARCH PROBLEM AND RESEARCH DESIGN

1.1 INTRODUCTION

The primary function of local government in any country is to improve the general welfare of the community which it serves through the provision of services. Local government in South Africa derived its powers over the years from central government. These powers were clearly defined in legislation regulating the establishment of provincial and municipal councils. The powers were limited to areas of administrative government such as the provision of roads, hospitals, schools, parks and services within urban areas.

Although this chapter is devoted to outlining the research problem, it was considered appropriate to provide a brief background to the development of local government in South Africa, and to then, very concisely, elaborate on the remuneration for councillors. The focus of this thesis is, therefore, to evaluate the past and present systems of remunerating councillors against the policy and legislative provisions regulating this matter, and then to develop recommendations on how the remuneration system for councillors could be improved.

Local authorities in South Africa became essential institutions long before the Union of South Africa was established on 31 May 1910. Since then, the country has had five constitutions. Constitutional change in South Africa has been evolutionary, passing power from one regime to another through a process of negotiation.

Local government was constituted within municipalities having boundaries which demarcated the urbanized areas of the land, each having a council of members. These members were elected by registered voters in periodic municipal elections. Each municipality was empowered to employ a town clerk and staff with whom to carry out its functions, and these officials were accountable to the municipal council. The defined boundaries did not cover all areas, but only the developed urban areas. Another limitation was that the voters were confined, by law, to the white population. In terms of service to community, on this basis, local government extended to only a fraction of the population.

Furthermore, the role of members of municipal councils (or “councillors”, the term more generally used) was limited, by virtue of its political nature, to voting within council meetings. Councillors were in effect “representatives” of the residents of the municipality. Consequently, appointments were “figure-head” appointments - that is, of prominent community leaders (such as doctors, lawyers or prominent businessmen). Retired persons, who had previously been prominent in their careers, would frequently be appointed.

Prior to the centralisation of the determination of the salaries, allowances and benefits of members of municipal councils, their remuneration was determined by the respective provincial government. This was done independently, in order to provide councillors with financial independence from the funds which they would be responsible for controlling. Remuneration for councillors during those years was nominal by today’s standards, and more in the form of a fee or “honorarium”. Furthermore, the hours which a councillor was required to devote to the appointment were limited to the attendance of formal council and ratepayers meetings, taking up between five and ten hours per month.

The remuneration for councillors was provided for in the following ordinances of the erstwhile provinces:

- (i) The *Local Authorities Ordinance*, 1974 (Ordinance No. 25 of 1974) in the former Natal Province;
- (ii) The *Transvaal Local Government Ordinance*, 1939 (Ordinance No. 17 of 1939) in the former Transvaal Province;
- (iii) The *Local Government Ordinance*, 1962 (Ordinance No. 8 of 1962) in the former Orange Free State Province; and
- (iv) The *Cape Municipal Ordinance*, 1974 (Ordinance No. 20 of 1974) in the former Cape Province.

This system resulted in skewed and inconsistent remuneration being paid to councillors in the different provinces.

1.2 PROBLEM STATEMENT AND HYPOTHESIS

In terms of section 219(1) of the *Constitution of the Republic of South Africa*, 1996, an Act of Parliament must establish a framework for determining the upper limits of salaries, allowances or benefits of, among other persons holding public office, members of municipal councils. The *Constitution of the Republic of South Africa*, 1996 further states that national legislation must establish an independent commission to make recommendations regarding the salaries, allowances and benefits of all public office-bearers.

The *Independent Commission for the Remuneration of Public Office-bearers Act*, 1997 (Act No. 92 of 1997) provides for the establishment of the Independent Commission for the Remuneration of Public Office-bearers, and gives the President of the Republic of South Africa the discretion to decide how many members the Commission should have, as long as the members have knowledge of, or experience in matters relating to the functions of the Commission.

The Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) provides for the remuneration of all public office-bearers in the three spheres of government, and section 7 provides that the Minister for Provincial and Local Government must determine the upper limits of the remuneration of members of municipal councils.

Subsequent to the promulgation of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), the Minister for Provincial and Local Government annually published the upper limits of the salary, allowances and benefits of councillors by notice in the *Government Gazette*, in terms of sections 7, 8 and 9 respectively, of the Act.

On 4 December 2000, the Minister for Provincial and Local Government published Government Notice No. R. 877 in the *Government Gazette* in terms of section 7 of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), which specified the upper limits of the remuneration that was to be paid to councillors with effect from the commencement of the first term of councillors. The provisions contained in Government Notice No. R. 877 were based on recommendations made by the Commission, after the Commission had undertaken a thorough investigation in this regard. However, subsequent to the publication of Government Notice No. R. 877, many stakeholders voiced numerous concerns in this regard, stating that, amongst other things, the remuneration levels were too low. Some of these concerns related to the financial impact of Government Notice No. R. 877 on the financial viability of the newly-established municipalities, and these are outlined in detail hereunder.

- (i) The remuneration scales did not reflect the responsibilities of councillors when compared to those of other office-bearers in other spheres of government;

- (ii) Individuals with the required expertise and talents were unwilling to accept full-time positions in councils due to the fact that the remuneration of councillors did not compare favourably with that in other spheres or sectors; and
- (iii) In certain cases, senior politicians had been re-deployed to serve in councils to ensure effective service delivery, and these individuals had to accept lower salaries, allowances and benefits.

Due to the issues raised above, and other problems and inadequacies in the system, during 2001 the Local Government MINMEC, and subsequently Cabinet, resolved that the entire system of remuneration of councillors be reviewed. The Department of Provincial and Local Government (DPLG) was therefore mandated to take the relevant steps to undertake this review (Department of Provincial and Local Government, 2003a).

The **problem** can therefore be **stated** that the remuneration system for councillors is presently inadequate, as it does not take into account the following:

- (i) The remuneration (salaries, allowances and benefits) that is payable to public office-bearers in the other spheres of government;
- (ii) The local government transformation imperatives;
- (iii) The purpose, duties, responsibilities, powers and activities attached to the various positions, and how they should relate to the remuneration of full-time and part-time councillors;
- (iv) Appropriate criteria for grading municipal councils; and
- (v) The affordability / financial position of municipalities to pay remuneration to councillors.

Therefore, and with regard to the above problem statement, the following **research questions** will be answered by this study:

- (i) Why is there a disparity in the remuneration of members of municipal councils, when similar benchmarked remuneration is payable to public office-bearers in the national and provincial spheres of government?
- (ii) Should the remuneration of members of municipal councillors, then, not be greater than that which is presently paid to them, when the demands of the local government transformation agenda are considered? and
- (iii) Which offices (of public office-bearers) in the national and provincial spheres of government can be identified to benchmark the remuneration of members of municipal councils, taking into account the roles and responsibilities of councillors in relation to the size of a municipal council?

In order that firm recommendations are made, this thesis therefore interrogates the above issues within the local and international environments, before well-informed proposals can be made.

With regard to the above problem statement, the following **hypothesis** is formulated:

The newly instituted and democratically elected local sphere of government in South Africa is in an early state of transformation and development. As a result, the present remuneration system applicable to members of municipal councils is inadequate, as it does not take into account the wide-ranging transformation imperatives of local government, and the roles and responsibilities of members of municipal councils.

This research study addresses the problems that have been identified, the questions that have been raised, and the hypothesis that has been formulated. Specific recommendations will thereafter be made, and guidelines will be provided on how to implement the recommendations.

1.3 RESEARCH APPROACH AND METHODOLOGY

In human science research, the method of study undertaken should comply with the norms, benchmarks and guidelines of scientific research in order to reach valid conclusions and recommendations. Scientific research methods, as required for this study, have the advantage that new knowledge can be collected while current knowledge can be reinterpreted and applied. In so doing, solutions can be found for specific problems that have been identified. Furthermore, applied research is undertaken to solve a specific problem, and in this instance, the research will add value in dealing with a problem presently being faced by local government in South Africa (Brynard and Hanekom, 1997:5).

There were several **limitations to this study** due to the fact that there has been limited research undertaken in this regard both locally and internationally. Consequently, there is a lack of relevant literature on the remuneration of members of municipal councils. The literature review that was conducted for this dissertation is not exhaustive in extent and analysis, and has led to a flow of ideas that has resulted in sound recommendations being developed.

In this study, a description of the historical and the current situation is provided by examining relevant literature such as books, journals and periodicals, legislation, official publications and correspondence, discussion documents, government reports, papers presented at workshops, seminars and conferences, speeches and debates, newsletters and pamphlets, newspapers, surveys and statistics, theses and dissertations, as well as material from the internet. Due to the sourcing of information through the above-mentioned methods, it was not deemed necessary for the study to undertake structured or focussed interviews with stakeholders. Informal discussions were, however, held with some officials that were employed in the public sector.

By making use of the above primary and secondary sources of data, the identified problems will be analytically evaluated to identify the variables and factors that have resulted in the inadequacy of the present remuneration system for councillors. The purpose, therefore, of the descriptive and analytical methods of research is to find a systematic explanation for the shortcomings identified in a particular situation.

This study incorporates both qualitative and quantitative data collection methods. Quantitative research methods are used to describe and explain facts and policy instruments developed by the relevant stakeholders (refer to the Schedule that is attached after Annexure J), while qualitative research methods aim to provide an understanding of the policies and relevant legislation, documents and literature. An imperative for this study is the premise that when relevant data and information are gathered, correct and relevant facts will result in sound and practical public policies.

1.4 REFERENCE TECHNIQUE

This dissertation uses the shorter Harvard method as well as the American Psychological Association (APA) format of referencing. Citation in the text of the dissertation refers the reader to an alphabetic reference list, or bibliography, at the end of the dissertation, which uses the author-date method of citation. The surname of the author and the date of publication are inserted at the appropriate point in the text of the dissertation. The reference list includes all sources used in the compilation and finalisation of this dissertation, and as indicated *supra* (paragraph 1.3), includes books (monographs and edited books); reference materials (dictionaries); research reports, technical reports and dissertations; newspapers; electronic sources (CD-ROMs, world wide web); and fieldwork sources (personal interviews) (Mouton, 2003:229).

1.5 CLARIFICATION OF TERMINOLOGY

In order to excel in a particular field of study, it is extremely important to understand the meanings, applications, definitions and interrelationships of concepts and terminology. Phenomena and issues relating to local government are continuously debated, and this has resulted in certain words gaining a specific technical meaning. To eradicate the possibility of more than one meaning being attached to a specific word or term, a common source of reference that attributes an exact explanation to some terminology is provided hereunder.

1.5.1 Allowances

In terms of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), allowances means any allowance, including out of pocket expenses, which forms part of an office bearer's conditions of service, other than a salary and benefits. Councillors could receive allowances for the following:

- (i) Cell phone and telephone;
- (ii) Travelling;
- (iii) Housing;
- (iv) Use of personal facilities; and
- (v) Holding the position of "office-bearer" – discussed *infra* (paragraph 2.7.3).

According to the South African Revenue Service (2003:1), an allowance is typically an amount of money granted by an employer to an employee in circumstances where the employer is certain that the employee will incur business-related expenditure on behalf of the employer, but where the employee is not obliged to prove or account for the business expenditure to the employer. The amount of the allowance is based on the expected business-related expenditure.

1.5.2 Apartheid

The foundation of the policy of apartheid was not rooted in the assumption of the common humanity, the common rights and therefore the common loyalties of all members of a complex society. It was based on the contention that differences of race and cultural inheritance are fundamental and antipathetic in association (Ballinger, 1969:15-16). This was manifested in various laws. Black people were not regarded as permanent citizens of South Africa and their presence in the urban areas was linked to their contribution to the urban economy. Apartheid legislation led to racial segregation of settlements; racially-divided local authorities and racial disparities in accessing services and housing. Apartheid local government was based on the idea that towns and cities could be separated and administered by separate local authorities with their own fiscal, administrative, legal and representative systems (Cameron, 1991:12-13; Johnson, 1994:1-2).

1.5.3 Appointed Councillor

An appointed councillor is a councillor in a local municipality who is indirectly elected to represent the local municipality at the district municipality. Appointed councillors constitute 60 per cent of the number of councillors at the district municipality, and the remaining 40 per cent of the councillors are directly elected to that municipality, in terms of section 23 read with Part 1 of Schedule 2 to the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998).

1.5.4 Benchmark

Spendolini (1992:9) defines benchmarking as a “continuous, systematic process for evaluating the products, services, and work processes of organizations that are recognized as representing best practices for the purpose of organizational improvement”. While this definition was developed for purposes of launching an

effective programme in the private sector, its relevance to this study is that elected representatives in similar positions need to be evaluated against the services and work processes that are performed by each other in the different spheres of government.

According to the Cassell Pocket English Dictionary (1995:74), benchmark is further defined as “anything that serves as a standard of comparison or point of reference”.

1.5.5 Benefits

Benefits for councillors are restricted to pension and medical aid, and are provided for in terms of sections 8(a) and 9(a) respectively of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998).

1.5.6 Ceremonial Functions

In terms of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), ceremonial functions are determined by the municipal council. According to the *South African Mayoral Handbook* (2003:57), ceremonial functions include the following:

- (i) Opening projects, civic functions, events and new buildings;
- (ii) Hosting and welcoming dignitaries to the municipality;
- (iii) Advocating council policy;
- (iv) Representing the council at civic events;
- (v) Leading / championing campaigns initiated by the mayor or the council;
- (vi) Representing the council during disasters;
- (vii) Being the “First citizen”; and
- (viii) Being a patron for local organizations on an invitation basis.

1.5.7 Councillor

Councillor means a member of a municipal council. The term “councillor” is used synonymously with the term “member of a municipal council” throughout this dissertation.

1.5.8 Democracy

The word “democracy” literally means “the government of the people”. It is derived from the Greek word *demos* (the people or masses) and *kratos* (to govern). The concept evolved first in the small Greek city estates, and was refined in the Athenian democracy (roughly between 450 B.C. and 350 B.C.). Pericles, an Athenian statesman, stated that: “Our Constitution is named a democracy, because it is in the hands not of the few but of the many. But our laws secure equal justice for all their private disputes and our public opinion welcomes and honours talent in every branch of achievement ... on grounds of excellence alone ... Our citizens attend both to public and private duties and do not allow absorption in their various affairs to interfere with their knowledge of the city’s ... We decide or debate, carefully and in person all matters of policy, holding ... that acts are foredoomed to failure when undertaken undiscussed” (Thucydides, 1951:111–112). From this definition stems a common conception that democracy ensures self-determination and self-government through popular consultation and participation, competition of ideas and policies, basic individual freedoms, equality before the law and access to opportunity to influence policy (Reddy, 1996:14; Venter, 1998:16-17; 205-206).

Democracy in local government stresses the potential ability of people to co-operatively identify and solve issues and problems they encounter collectively. Common problems cannot be resolved effectively without the participation of those affected by the solution (Ready, 1967:100-102; Levine, 1982:53; Van Der Waldt and Helmbold, 1995:5-6). The objective of local government is to create

conditions under which each individual may achieve the greatest measure of welfare and prosperity. In order to achieve local government democracy, the machinery of local government should be organized in such a manner as to allow mutual deliberation and consultation. Local democracy is that form of government seeking to unite its citizenry as a community and which constantly pursues the happiness of the largest number of its people.

1.5.9 Developmental Local Government

By definition, “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 to improve the quality of their lives (*White Paper on Local Government*, 1998:17).

1.5.10 First Term of Municipal Councils

The first term of municipal councils commenced on 5 December 2000, the date on which the first democratically held municipal elections were held in all municipalities in South Africa, which effectively signalled the beginning of the final phase of local government as provided for in the *Local Government Transition Act*, 1993 (Act No. 209 of 1993).

1.5.11 Full-time Councillor

An office-bearer in a municipal council may be appointed as a full-time or as a part-time councillor. However, such an appointment must first be determined by the MEC responsible for local government in the province, which must be in accordance with a policy framework as determined by the Minister for Provincial and Local Government. On 28 July 2003 the Minister for Provincial and Local Government published a policy framework for the designation of full-time councillors in Government Notice No. 1068. In terms of section 12(f) of the *Local*

Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), the MEC for local government must set out which councillors of the municipality, if any, may be designated as full-time.

1.5.12 Governance

Governance is used to redefine relationships between the government and society. The World Bank (1994:1) defines “governance” as the practical exercise of power and authority by governments in the management of their affairs in general and of economic development in particular. It could therefore be deduced that it encompasses the set of relationships between governments and citizens, institutions such as enterprises, special interest groups and the media. Craythorne (2003:254) suggests that governance means the manner or style in which government is carried out. If the style of governance is autocratic, or secretive, or skewed against equity, people become angry and will not accept public policy.

1.5.13 Independent Commission for the Remuneration of Public Office-bearers

The Independent Commission for the Remuneration of Public Office-bearers was established in terms of section 2 of the *Independent Commission for the Remuneration of Public Office-bearers Act, 1997 (Act No. 92 of 1997)*, and consists of eight members that are appointed by the President of the Republic of South Africa.

The Independent Commission for the Remuneration of Public Office-bearers is referred to as “the Commission” throughout this dissertation.

1.5.14 Local Government

Meyer (1978:10) 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.”

Meyer (*ibid.*) further states that the following could be considered as characteristics of local government:

- (i) A local area and a local community formed and kept together by common interests;
- (ii) Participation by a local community in the government of its local affairs;
and
- (iii) A local political unit endowed with corporate status vested with subordinate governmental powers and powers of taxation to control, regulate and develop local affairs and to render specific local services.

Local government is the sphere of government closest to the people, and is entrusted with the responsibility for rendering basic services such as electricity, water, transport and health to the community and for the benefit of the community.

1.5.15 Local Government MINMEC

According to Thornhill (2002:122), the Local Government MINMEC is chaired by the Minister for Provincial and Local Government, and is composed of the following members:

- (i) Nine provincial MECs for local government;

- (ii) Heads of the nine provincial local government departments;
- (iii) Office-bearers of the South African Local Government Association;
- (iv) Chief Executive Officer of the South African Local Government Association;
- (v) Chairpersons of the nine provincial municipal associations of the South African Local Government Association;
- (vi) Representative of the National Treasury;
- (vii) Representative of the Independent Electoral Commission;
- (viii) Representative of the Municipal Demarcation Board;
- (ix) Chairperson of the Portfolio Committee responsible for local government matters;
- (x) Chairperson of the National Council of Provinces;
- (xi) Chairperson of the Financial and Fiscal Commission; and
- (xii) Other national government departments who may attend on an ad hoc basis, if and when required.

The main functions and powers of this forum are as follows:

- (i) To serve as a forum through which the role players in all three spheres of government can consult with each other on a political level in order to contribute towards the creation of legitimate, democratic, economically viable and developmental local government;
- (ii) To encourage, ensure and promote as far as local government matters are concerned, co-operative governance, consultation, co-ordination and participative decision-making; and
- (iii) To implement the provisions contained in the White Paper on Local Government, chapter 7 of the *Constitution of the Republic of South Africa, 1996*, as well as other matters pertaining to local government as contained therein.

1.5.16 Local Government Technical MINMEC

Thornhill (*id.*) states that the Local Government Technical MINMEC is chaired by the Director-General of the Department of Provincial and Local Government, and is composed of the following members:

- (i) Senior Managers, Executive Managers and Deputy Directors-General from the Department of Provincial and Local Government;
- (ii) Heads of the nine provincial local government departments;
- (iii) Chief Executive Officer of the South African Local Government Association;
- (iv) Directors of the nine provincial municipal associations of the South African Local Government Association;
- (v) Representative of the National Treasury;
- (vi) Representative of the Municipal Demarcation Board; and
- (vii) Representative of the Auditor-General's Office.

The main functions and powers of this forum are as follows:

- (i) To advise and assist MINMEC on key policy, technical and strategic local government issues, thus representing an extremely important link and consultative forum between national, provincial and local government at an official level;
- (ii) To thoroughly discuss and negotiate matters before recommendations are made to MINMEC, in view of its advisory and supportive function to MINMEC; and
- (iii) To serve as a forum to simplify the task of MINMEC by means of advising and preparing politicians for discussions at MINMEC meetings and limiting agenda items for discussion at MINMEC.

1.5.17 MEC for Local Government

In terms of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), the MEC for local government means the member of the Executive Council of a province responsible for local government in the province. Many MECs for local government have more than the portfolio of local government to deal with, for example they may deal additionally with the portfolios of traditional affairs, security, housing or traffic. The MEC for local government is sometimes referred to as the “Minister for Local Government” by provincial officials.

1.5.18 Municipal Administration

In terms of section 1 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), municipal administration refers to the organizational structure (municipality) that delivers municipal services to local residents. It consists of officials who are employed by the municipal council.

1.5.19 Municipal Council

In terms of section 1 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), the municipal council consists of politicians who are democratically elected by local residents. A municipal council is responsible for representing and governing the local area. Section 157(1) of the *Constitution of the Republic of South Africa, 1996* also provides for the composition and election of municipal councils.

1.5.20 Municipality

The word "municipality" comes from the Latin word *municipalis*, which was a city with some self-government, but subject to the central government of the Roman Empire (Cloete and Thornhill, 2004:2). A municipality is a political subdivision

that is constituted in terms of sections 151 and 152 of the *Constitution of the Republic of South Africa*, 1996 and has substantial control of local affairs, including the powers to impose taxes or to exact labour for prescribed purposes. A municipality therefore refers to a local institution comprising local elected representatives and appointed officials, which functions within a specific geographical area to provide services to its local community. Although a municipality has a right to govern and administer on its own initiative, it is, in terms of section 156(1) of the *Constitution of the Republic of South Africa*, 1996, subject to constitutional provisions as well as national and provincial legislation. Regarding its obligation to provide services to communities, to promote social and economic development, to promote a safe and healthy environment, and to encourage the involvement of the communities in local matters, a municipality may not, in terms of section 156(3) of the *Constitution of the Republic of South Africa*, 1996, enact by-laws that conflict with national or provincial legislation.

1.5.21 Office-bearer

Office-bearer means, in respect of a municipal council, a mayor, executive mayor, deputy mayor, executive deputy mayor, speaker, member of an executive committee, member of a mayoral committee, whip, or chairperson of a sub-council. Office-bearers may be appointed on a full-time or a part-time basis. The election of office-bearers is provided for in Schedule 3 to the *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998).

1.5.22 Official Functions

Official functions are functions that may be performed by all councillors, including the following:

- (i) Attending public and council meetings;
- (ii) Attending council related seminars and conferences; and

- (iii) Discharging any function that is directly related to and associated with his or her holding of public office.

1.5.23 Part-time Councillor

A part-time councillor is also referred to as an ordinary councillor, except if the councillor is an office-bearer. A part-time councillor may be employed on a permanent basis in the private sector. Prior to the first term of municipal councils, all councillors in South Africa were appointed on a part-time basis, due to the ceremonial nature of the work for which they were responsible.

1.5.24 Policy

According to Wildavsky (1979:387) "policy is a process as well as a product. It is used to refer to a process of decision-making and also to the product of that process. Policy is spoken of as what is and as what ought to be".

1.5.25 Policy Analysis

Policy analysis is about relationships between people, and is an activity creating problems that can be solved (Wildavsky, 1979:17). It is also a step-by-step way of unpacking and understanding policy choices, and comparing possible outcomes. Put differently, policy analysis is a set of tools that assists decision-makers in deciding among alternative courses of action.

1.5.26 Policy Implementation

Roux and Van Rooyen cited in Van der Molen, Van Rooyen and Van Wyk (2002:221) state that after the formulation and thorough analysis of public policy, the process of implementation should commence. However, it appears as if this phase in the policy process tends to be the most problematic one in terms of

practical policy execution. Sound policies are annually formulated and analysed in government's quest to restructure and develop South African society according to the best policy options available. Unfortunately, such options do not always include a well-designed programme on the practice of implementation. The same authors suggest further that an implementation programme should also take into consideration the following requirements:

- (i) The financial or budgetary requirements brought about by new policies or changes in existing policy;
- (ii) Organizational and administrative requirements; in other words, the administrative and organizational capacity of the department responsible may have to be realigned, or changed if necessary, in order to cope with policy changes; and
- (iii) Human resource requirements; implementing policy implies not only the availability of trained staff, but also their commitment to pursuing goals and objectives in a professional manner.

1.5.27 Proportionally Elected Councillor

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) provides that metropolitan and local councils are elected by voters registered on that municipality's segment of the national common voters' roll, to proportionally represent the parties that contested the election in that municipality, and by voters registered on that municipality's segment of the national common voters' roll in the respective wards in that municipality, to directly represent wards. The number of ward councillors in a metropolitan or local council must be equal to 50 per cent of the number of councillors determined for the municipality as prescribed. The balance of the councillors in a metropolitan or local municipality is made up of proportionally elected councillors.

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) also provides that for a district council, such council consists of councillors elected by voters registered on that municipality's segment of the national common voters' roll, to proportionally represent the parties that contested the election in that district municipality (40 per cent), and by councillors appointed by the councils of the respective local municipalities within that district municipality, to directly represent those local municipalities (60 per cent); and if the district municipality has a district management area, councillors elected by voters registered on that district municipality's segment of the national common voters' roll in that area, to proportionally represent the parties that contested the election in that area.

1.5.28 Public Administration

Corson and Harris (1963:12) state that "Public Administration is ... formulating objectives and goals, working with the legislature ... establishing and revising organizations, directing and supervising employees ..., determining work methods and procedures ... and exercising controls. It is the action part of government, the means by which the purposes and goals of government are realized. Public Administration is multi-disciplinary in nature and consists of numerous activities, processes or functions performed by public officials to promote the welfare of the community".

Fox, Schwella and Wissink (1991:2) define Public Administration as "that system of structures and processes operating within a particular society as environment, with the objective of facilitating the formulation of appropriate government policy, and the efficient execution of the formulated policy".

Public Administration as a scientific discipline, according to Botes, Brynard, Fourie and Roux (1997:257), is primarily concerned with the implementation of government policy, and involves all the various levels of government, or even an

international organization that comprises government officials. As an academic discipline and science, Public Administration is concerned with the study of all the scientific disciplines that have a bearing on the contemporary administrative and managerial practices in the public sector.

1.5.29 Public Policy

Public policy is policy serving as the enabling and guiding framework for government in all sectors and at all levels. Public policy communicates what a society values, provides guidelines for the actions and decisions that institutions take when implementing policy and provides a basis on which to foresee outcomes, and a yardstick for evaluating the performance of public institutions.

Craythorne (2003:253) states that the following factors influence public policy making today:

- (i) The Bill of Rights and the Constitution;
- (ii) The objectives of local government;
- (iii) The socio-economic environment;
- (iv) Prioritizing needs;
- (v) Financial sustainability;
- (vi) Governance;
- (vii) The influence of officials;
- (viii) The environment;
- (ix) Interest groups; and
- (x) Compliance with law.

1.5.30 Remuneration

Remuneration includes salary, allowances (such as for travelling, cell phone / telephone, use of personal facilities) and benefits (such as pension and medical aid). In terms of sections 7, 8 and 9 of the *Remuneration of Public Office Bearers*

Act, 1998 (Act No. 20 of 1998), the Minister for Provincial and Local Government must, from time to time, determine the upper limit of the various forms of remuneration.

Swanepoel, Erasmus, Van Wyk and Schenk (2000:526) define remuneration as the financial and non-financial extrinsic rewards provided by an employer for the time, skills and effort made available by the employee in fulfilling job requirements aimed at achieving organizational objectives.

1.5.31 Salary

Salary refers to the basic payment received by a person, which is given periodically, usually monthly, for work that is not of a manual or mechanical nature.

1.5.32 SALGA

SALGA means the South African Local Government Association, which is recognized in terms of section 2(1)(a) of the *Organised Local Government Act*, 1997 (Act No. 52 of 1997).

1.5.33 Sitting Allowance

In terms of the present remuneration system for councillors, a sitting allowance is payable to a councillor at a local municipality who is appointed to a district municipality, provided that the remuneration of the councillor is equal to or higher than the upper limit of the remuneration that is applicable to the office to which the councillor has been appointed. The sitting allowance is a fixed amount per day, regardless of the number of meetings of the district council or committees of that council that may be attended by the councillor on a specific day.

1.5.34 Total Remuneration Package

In recent years, the range of benefits on which tax relief could be secured was reduced by legislation. However, the practice of salary and benefit structuring within a “package” has grown in popularity. It is seen today as a corporate governance safeguard and as a critically important cost control strategy. This approach has been extended to government departments and state-owned enterprises in the country, as well as to other political office-bearers in the national and provincial legislatures.

The advantages of adopting the total remuneration package approach, and the driving force behind this movement, are:

- (i) Cost containment in relation to rapidly increasing employment benefit costs;
- (ii) Cost control;
- (iii) Greater recognition of the value of freedom of choice (ensuring that the utility of employment benefits is greater for the same expenditure levels);
- (iv) Better corporate governance of remuneration (in terms of accountability for remuneration costs, and a more accurate method of cross-comparison of remuneration with the labour market); and
- (v) Tax effectiveness (savings in take-home pay).

According to Mohr, Fourie and Associates (2000:372), “the remuneration of labour can take different forms, for example wages, salaries, bonuses, commissions, fees, allowances, royalties, overtime payments and fringe benefits (such as housing subsidies, car allowances, medical aid and pension fund contributions). Economists usually use the term “wages” to refer to the basic amount, excluding any benefits or allowances, that is paid in return for the use of labour in production. The price of labour is usually called the wage rate, that is,

the amount of money to be paid to a worker for working for a specified period, or for performing a specified number of tasks”.

Andrews (1997:20) suggests that the total remuneration package is the monetary as well as the non-monetary compensation which an employee is offered in exchange for their labour. The determination of the remuneration structure for public servants is in no way a simple task and cannot be handled in a haphazard manner. It is further stressed by Andrews that a multitude of factors must be considered because each of the factors can exercise an influence on the remuneration, and that if all the factors are not taken into consideration, public servants may become unhappy and dissatisfied because their standard of living and prospects in community life may be negatively influenced.

"Earnings" is a much broader concept which reflects the amounts actually earned by a worker during a specified period, including all bonuses and fringe benefits. In essence, the total remuneration package system consolidates salary, allowances and benefits.

1.5.35 Ward Committee

If a metropolitan or local council decides to have ward committees, it must establish a ward committee for each ward in the municipality. A ward committee consists of the councillor representing that ward in the council, who must also be the chairperson of the committee. A ward committee consists of not more than 10 other persons, and a member of a ward committee may be reimbursed for out of pocket expenses.

1.5.36 Ward Councillor

A ward councillor is a councillor that represents a ward in a local or metropolitan municipality. In a ward election, there are independent ward councillors, who are

not nominated by a party as a candidate, and there are ward candidates, who are nominated by a party as a candidate representing that party.

1.5.37 Whip

Although there is no definition for "whip" in the *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998) or the *Local Government: Municipal Systems Act*, 2000 (Act No. 32 of 2000), a municipality has the right, in terms of section 156(5) of the *Constitution of the Republic of South Africa*, 1996, to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions. It is therefore presumed that the appointment of a whip in a municipality is made in terms of this provision. Note also that the policy framework for full-time councillors, elaborated on *infra* (paragraph 6.4.7), allows municipal councils with more than 40 councillors to appoint a whip on a full-time basis.

According to Heydenrych (2006), a party whip is a member of a legislature appointed to represent his or her party's interests and ensure the effective functioning of his or her party in the legislature. Whips are responsible for keeping members of their party informed concerning council business and ensuring attendance. The term "whip" is from the British system, taken from the expression "whipping people into line". In the parliamentary system of government, the role of the chief whip of a political party is to manage other whips in the party to ensure that its members maintain discipline and good conduct and specifically to ensure that party members speak with one voice on matters of policy. Thus one of the chief whip's primary functions is to ensure cohesion between the executive and legislative branches of government. The role of the chief whip within local government in South Africa has been redefined, given that municipalities perform a dual role, encompassing both the executive and legislative domains.

1.6 STRUCTURE OF DISSERTATION

This dissertation is composed of eight chapters. It incorporates a literature study and significant empirical research, both of which have contributed towards testing the stated hypothesis.

Chapter one is introductory and provides an orientation to the study. The problem is briefly analysed and the research hypothesis is stated. The research approach and methodology are presented, whereafter key concepts and terminology are clarified.

A review of related literature is provided in **chapter two**. It elaborates on the theories of public administration and management by various scholars, and then discusses the various functions of public administration. Elements of a remuneration system are also articulated in this section, whereafter the constitutional status of public administration in South Africa, and the role of local government in South African public administration are then examined.

The early development of local government in South Africa during the apartheid period is dealt with in **chapter three**. It elaborates on the manner in which the country's five Constitutions since 1909 provided for local government, and culminates with a brief exposé of the remuneration system that was applicable to councillors until 1998.

Chapter four focuses on the development of local government in South Africa after 1998, and highlights the key interventions that had to be put in place prior to the commencement of the first and second terms of democratically elected municipal councils.

The early development of a remuneration system for councillors is dealt with in detail in **chapter five**, which examines remuneration related provisions in the country's five Constitutions, the four Ordinances in the respective provinces. The chapter concludes with the development of legislation that presently regulates the remuneration system for councillors.

Chapter six interrogates the principles that underpin the present remuneration system for councillors, and elaborates on the institutional, political and administrative systems that are unique to the local sphere of government. It also investigated the past (prior to 5 December 2000) and present roles and responsibilities of the different categories of councillors. This chapter then provides recommendations for an improved remuneration system for councillors, dealing with the founding elements of a remuneration system, and concluding by recommending the actual remuneration that should be paid to councillors.

In order to fully inform the research process and to develop internationally acceptable recommendations, **chapter seven** provides an international perspective on remuneration systems for councillors in the United Kingdom (England, Scotland and Wales), Australia and New Zealand.

Chapter eight deals with the implementation of the recommendations made in the previous chapter, and elaborates on the financial implications and legislative changes that would be required to implement the recommendations.

1.7 CONCLUSION

This chapter has provided an orientation for the study. The problem statement was analysed and the research hypothesis stated. The research approach and methodology were presented.

To eliminate the possibility of more than one meaning being attached to a specific word or term, a common source of reference was provided, that attributes an exact explanation to the technical language used throughout the thesis. A concise overview of each chapter in the dissertation was given.

The ensuing chapter provides insight into the development of local government in South Africa and traces its origins in the various Constitutions of the country. It is considered extremely important to understand the evolution of local government over the years, because as communities became more organized in their daily activities, their demands for quality goods and services increase. This means that frameworks had to be developed to effectively regulate and govern the provision of services to citizens, which gradually found greater relevance and inclusion in the supreme and founding legislation of the country. As local government gained prominence, so did the burden increase on persons being elected at the local level to deliver quality goods and services.