

Enhancing service delivery through decentralisation

A South African experience

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ABSTRACT

South Africa was one of the last African states to obtain a fully democratic government with its first general election in April 1994. Democratising the system of government required a total transformation of all public institutions and the services provided by the state. The popular view was that this could be achieved by decentralising powers and functions to other spheres of government. The South African Constitution, 1996 established three separate, interdependent and interrelated spheres of governments, namely national government, nine provincial governments and 283 (now 278) municipalities. Each sphere is assigned its own powers, functions and responsibilities. Decentralisation has important advantages since it ensures public accountability and responsibility to a greater extent than centralisation. Moreover there is direct contact between voters and political representatives and office bearers in the provincial and local spheres. The success of decentralisation reforms also depends on consistent and coherent national policies, sound legislative and regulatory frameworks for decentralisation, and effective review mechanisms to resolve disputes among all spheres of government. This article argues that in South Africa service provision and good governance can best be achieved through decentralisation. Decentralisation has also been associated with democratisation. It is argued that municipalities as constituents of local government are more likely to be accountable to its constituency. The major priority of the South African government, as set out in the Bill of Rights, is to ensure the provision of a range of services to meet socio-economic challenges, within the constraints of available resources. Local government is the sphere of government that is closest to the people and is best positioned to identify and respond to local issues. This article supports the view that service provision in South Africa can be



achieved effectively through decentralisation. Decentralisation and devolution have been pursued to improve the working environment and to encourage innovative ways to increase efficiency and improve service delivery.

INTRODUCTION

The essential interest in this article is to examine decentralisation in South Africa and how it affects the delivery of services to communities. The major priority of the South African government, as set out in the Bill of Rights, is to ensure the provision of a range of services to meet socioeconomic challenges, within the constraints of available resources. It is assumed that information flows are better within a geographically more confined area, so that communities are able to realise much faster whether the local authority/municipality is attending to the needs of their constituents. Additional levels/spheres of government may increase the opportunities for people to become directly involved in government decision-making. Further, local government may contribute to the creation of checks and balances within the decentralisation system of government. In the article the following key themes are covered, namely fiscal and political decentralisation, arguments for decentralisation, decentralisation and its implications for good governance, and the link between decentralisation and service delivery.

WHY DECENTRALISATION?

Decentralisation should be regarded as a form of empowerment, where a democratic institution could be instituted and where leaders and managers are able to protect its core functions and business (Fox 2006:42). The decentralisation of power and authority reduces overload and congestion in the channels of communication within the central government machinery. Monaheng (in Theron 2008:133) contends that it enables an organisation to obtain better and more reliable information about local conditions and able to react more quickly to unanticipated problems in the implementation of local development projects.

In the normal course of governance and development, the concept of decentralisation is relevant to a wide range of economic, political and social activities. Hattingh (1998:69), however, argues that the importance of decentralisation centres on its connotation as an essential mechanism for achieving specific administrative objectives and the resultant procedural implications, particularly in respect of relations established by this means.

There is an argument that decentralisation can enhance the accountability and transparency of public institutions in policy-making by bringing expenditure assignments closer to revenue sources and hence to the citizenry. The quality of service provision can also be enhanced by decentralisation since subnational governments will be more sensitive to variations in local requirements and receptive to feedback from the users of services. Thus, Monaheng (in Theron 2008:133), maintains that decentralisation is necessary to improve

the responsiveness of government to the needs of the people, and to create an effective institutional framework for supporting people-centred development.

Under a decentralised fiscal system, good governance ensures that public resources are effectively and efficiently managed. In addition, it must also ensure effective and sustainable resource mobilisation and its efficient use. In this regard government and public institutions must ensure greater transparency, predictability, and accountability in the decision-making process (Yemek 2005:19).

In governance, decentralisation is the dissemination of functions and authority from the national government to subnational or suborganisational units and is regarded as a necessary component of democracy and good governance (Fox and Meyer 1996:33). In public management it refers to the transfer of authority, for example, planning and decision-making, or administratively from a centralised public authority to its field organisations, local administrative units, local governments, or non-governmental organisations (Fox and Meyer 1996:33).

FEATURES OF FISCAL DECENTRALISATION IN SOUTH AFRICA

Fiscal decentralisation refers to the percentage of total government expenditure executed by subnational governments, considering the size and character of transfers, or the level of tax autonomy of subnational governments, or both. Fiscal decentralisation encourages public participation in decision-making, since local and provincial governments are supposed to be closer to the communities (Yemek 2005:20). In South Africa, fiscal decentralisation aims to provide a framework for the efficient provision of public services by aligning expenditure with regionally based priorities.

The *Intergovernmental Fiscal Relations Act*, 97 of 1997 maps out the current system of fiscal decentralisation. This sets up a set of formal consultative processes that have to occur prior to the tabling of the national budget in Parliament. In essence the provinces and representatives of the municipalities have to be consulted prior to the tabling of the annual *Division of Revenue Act*. In terms of this, the budget must make provision for the following:

- the *vertical split* of national revenue between spheres, i.e. between national, provincial and local government;
- the *horizontal split* of the provincial equitable share between the provinces; and
- the *horizontal split* of the local government equitable share among all municipalities, namely category A, B and C (Wittenberg 2003:37).

Fiscal decentralisation in South Africa involves shifting some responsibilities for both revenue and expenditure to other spheres of government. The Constitution, 1996 deals with various aspects of Intergovernmental Fiscal Relations (IGFR), including the devolution of revenue and expenditure assignments to subnational governments, which acts as a disciplinary force by establishing a closer link between the raising and spending of money. Based on the annual Division of Revenue Act, which allocates national revenues to each of the three spheres of government, the South African intergovernmental fiscal system provides a framework of fiscal arrangements aimed at ensuring that government responsibilities are met, while the



right level and mix of public services are delivered to enhance the socioeconomic rights of citizens, especially the disadvantaged (Yemek 2005:4).

Provision is made for the decentralisation of tendering decisions. According to Pauw *et al.* (2009:107) this is in keeping with the *Public Finance Management Act*, 1 of 1999, philosophy to *let managers manage*, and the resultant new procurement directives, which amount to in-house tender committees within each individual public sector institution. This has provided a policy and good practice framework, within which all public sector organisations have to set up their tendering and procurement arrangements. Points of view which favour the decentralisation option include the following:

- having greater authority over their spending will allow good managers to seek advantages which translate into receiving better value-for-money, making better product choices, and achieving better service from suppliers;
- if accounting officers have full responsibilities which people can hold them accountable for, will greatly enhance performance and accountability at a departmental level; and
- there could be more appropriate internal controls, which would minimise procedural failings.

Proponents of fiscal decentralisation in South Africa have argued that a new system must be appropriate to modern economic conditions, seeking to enhance democratic accountability while ensuring that the public resources of the country are shared fairly amongst the whole population. The starting point should be a strong emphasis upon the need to strengthen local control over the use of public resources. This assists in ensuring that usage is efficiently and appropriately tailored to local conditions Ryneveld (in Pillay *et al.* 2006:169). Yemek (2005:4-5) states that the IGFR system determines the way in which taxes are allocated and shared among the various spheres of government, and how funds are transferred from one sphere to another. It has been argued that intergovernmental relations, both vertical (between levels of government) and horizontal (within levels), are important for the efficient and effective delivery of public services.

According to Pillay (in McLenan and Munslow 2009:141) the pressures for more decentralisation, in general, have originated from different directions. *Firstly*, deepening democratisation has given more voice and weight to the preferences of specific groups and regions. *Secondly*, globalisation is creating market areas that are no longer identical with the national territory. Globalisation has relaxed the economic links of regions to other regions of the same country and has increased the links with other countries. *Thirdly*, as incomes and the flow of information increase and as differences in income levels across regions within countries rise, the richer regions become more aware that through the tax system and through various spending programmes, there is some income redistribution taking place from the richer to the poorer regions.

Elhiraika (2007:3) summarises the arguments for fiscal decentralisation as follows:

- fiscal decentralisation enables sub-national governments to take account of local differences in culture, environment, endowment of natural resources, and economic and social institutions;
- information on local preferences and needs can be extracted more cheaply and accurately by local governments, which are closer to the people and hence more identified with local causes;

- bringing expenditure assignments closer to revenue sources can enhance accountability and transparency in government actions;
- fiscal decentralisation can help promote streamlining public sector activities and the development of local democratic traditions; and
- by promoting allocative efficiency, fiscal decentralisation can influence macroeconomic governance, promote local growth and poverty alleviation directly as well as through spillovers.

Fiscal decentralisation holds great promise for improving the delivery of public services while maintaining economic growth (Yemek 2005:2), but the actual outcome depends on its design and the institutional arrangements for its implementation.

A factor which influences intergovernmental relations is the degree of decentralisation that applies at a particular time. Van der Waldt and Du Toit (2007:166-167) and Hattingh (1998:70) identify the following six contexts in which the concept of decentralisation within intergovernmental relations is used:

- when the central government creates a number of subordinate government institutions and assigns functions to them;
- when there is a division of income and other resources between higher and lower government institutions;
- the regional division of a single government function as in the establishment of branch offices by a state department;
- the allocation of powers to particular subordinate government institutions by the central government;
- the allocation of discretionary powers to particular political office-bearers and officials by the legislature; and
- the establishment of regulatory measures in respect of capital expenditure by various government institutions.

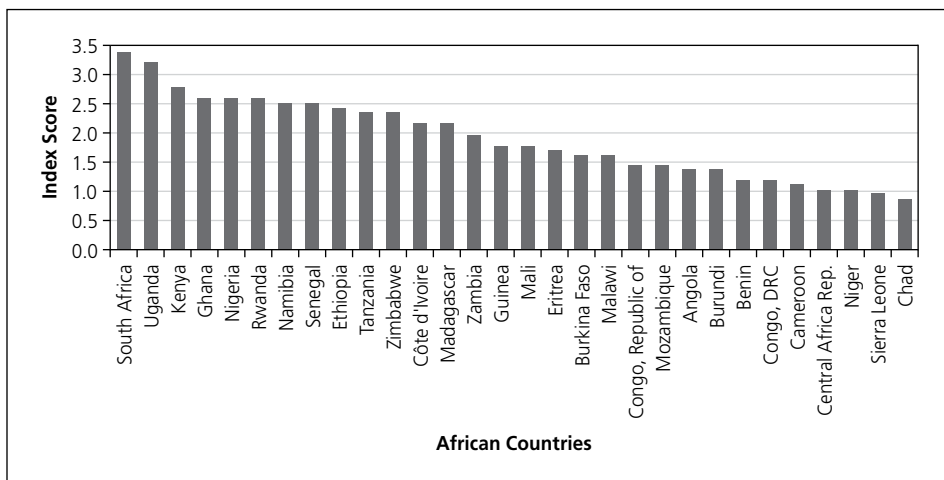
Mabin (in Parnell *et al.* 2008:46) considers the concept of decentralisation as a way of shifting development and management responsibility from national governments to local governments, perhaps based on the charitable concern that if national governments could not do the job, then local governments provided the alternative.

POWERS AND RESPONSIBILITIES IN TERMS OF DECENTRALISATION

Schedule 4 of the South African Constitution, 1996 lists the concurrent areas of competence for the national and provincial governments. Part A of Schedule 4 lists, *inter alia*, education, health, housing, agriculture, casinos and other gambling, and public transport. Part B lists a range of local government expenditure responsibilities, including air pollution, building regulations, child care facilities, fire fighting, municipal airports, municipal health and municipal public transport. Schedule 5 lists expenditure responsibilities for which provinces have exclusive competence. Part A includes such services as abattoirs, ambulances and provincial libraries, while part B shows local government matters such as beaches, cemeteries,



Table 1 Extent of decentralisation in Africa



Source: Kauzya (2007:3).

cleansing and local sports facilities. The responsibilities of provincial governments include primary and secondary education, health and welfare services, provincial roads and local economic development. Municipalities are assigned the responsibility for the delivery of municipal services such as housing, water, electricity and sanitation (RSA 1996).

In terms of decentralisation in South Africa, Van der Walldt (2007:32) states that it is accepted that the distance between national government and the population can be overcome by allowing municipalities to provide local public services. By bringing government closer to citizens, decentralisation allows communities to participate more effectively in local affairs, including in the identification of community priorities. Local leaders can be held accountable for decisions that affect citizens' lives. Van der Walldt (2007:32) further notes that decentralisation implies the distribution of national government power, increased opportunities for responsive leaders or previously marginalised groups to enter politics, and increased attention to local concerns. With decentralisation, local decisions can be adapted to local needs, allowing scarce resources to be generated and spent with great efficiency, and public services to be provided more effectively.

Mutahaba *et al.* (1993:15) maintain that in most countries in Africa, decisions were made in principle to decentralise responsibility, including administrative functions and socio-economic development activities, to local governments, parastatal bodies, or co-operative organisations. This was done to enhance good governance as municipalities make decisions for local communities and must account to central governments. In the table below, Kauzya (2007:3) shows the extent to which different African countries have decentralised their governance.

Decentralisation is seen as a strengthening *voice* in local government by:

- improving representative democracy through voter registration drives, open government, giving citizens rights at meetings and providing better support for councillors;
- extending representative democracy in area committees of councillors;
- fusing representative with participatory democracy by co-option on to committees, neighbourhood committees and user groups; and

- extending participatory democracy through the funding of non-statutory groups, community development and user-groups and valuing grass-roots (Rose and Lawton 1999:106-107).

Decentralisation can be seen in terms of power transferred from a central body to sub-units or operational agencies. The centre forfeits some of its power and decisions are taken lower down the organisational hierarchy. In contrast, deconcentration is carried out for administrative reasons where it is considered that a service could be more effectively administered by local or regional bodies; power is still held at the centre. Local bodies become more effective in carrying out national policies rather than determining policies for themselves (Rose and Lawton 1999:107).

POLITICAL DECENTRALISATION AND DEVOLUTION

Political decentralisation refers to the establishment of decentralised representative regions, subregional or local political units acting within a pre-defined jurisdiction with relative autonomy, i.e. a high measure of self-government within a demarcated geographical area (Gildenhuis and Knipe 2000:238).

Devolution goes hand in hand with the granting, through constitutional law, of a large measure of autonomy as well as direct accountability and responsibility to the voters instead of to a higher authority. The measure of autonomy, political accountability and responsibility is mainly a function of the constitutional rules and tradition acknowledged by the prevailing political system, as well as the particular subnational or regional loyalties within a particular national community.

For a regional or local government to be autonomous, four principles must apply. It must have tangible:

- legislative and executive authority within the confines of the prevailing constitutional law;
- taxation authority, and be able to command sources of income to raise sufficient money to pay the costs of its public services;
- authority over its personnel; and
- administration authority to administer its functions (Gildenhuis and Knipe 2000:238).

An essential precondition for successful fiscal decentralisation is a strong national ability to lead the process. The national government in South Africa took the vital first step in initiating a policy statement on municipal finance. Among the more significant of these initiatives are the following:

- designing and enforcing the use of a uniform accounting system for municipalities;
- ensuring an appropriate audit process;
- developing and enforcing a regulatory framework for borrowing;
- developing indices of fiscal capacity and expenditure needs and using these indicators in allocating intergovernmental transfers according to the stated objectives of the government;



- monitoring any limits placed on municipal fiscal behaviour, for example, debt limits, tax limits, and budget deficits; and
- maintaining a fiscal information system that will enable a regular evaluation of the performance of municipalities, perhaps to create a system for early warnings of fiscal distress (Bahl 2001:30).

In South Africa, there is progress in each of the abovementioned areas, even though there are still some challenges in terms of monitoring.

Advantages of political decentralisation

According to Gildenhuis and Knipe (2000:239) political decentralisation has two important advantages. *Firstly*, it improves voters' control and, *secondly*, it ensures public accountability and responsibility to a greater extent than political centralisation. This is because:

- more direct contact exists between voters and political representatives and office bearers in the provincial and local spheres;
- the job security of regional and local officials depends on the public's satisfaction or dissatisfaction with their performance; and
- it is much easier for the public to pinpoint responsibility and to demand accountability from political representatives, because regional and local political representatives and office-bearers are subject to more direct control than a member of the central legislature.

The advantages of decentralising government are that (Van Niekerk *et al.* 2002:249-250):

- institutions are able to respond quickly to changing circumstances and customer needs;
- it encourages more direct contact between local functionaries, such as voters, political representatives, and office-bearers;
- decentralised institutions are far more innovative than centralised institutions;
- decentralised institutions generate higher morale and more commitment and are inclined to show greater productivity in the execution of their activities;
- it encourages service excellence to ensure that the well-being of the communities is promoted;
- it is easier to pinpoint responsibility and to demand accountability from political representatives due to geographical proximity of voters to elected representatives; and
- it secures justice in the application of democracy and encourages more voter participation in forums, communities, public meetings, referenda, and policy-making and decision-making processes that affect their daily lives.

Arguments for decentralisation

There are certain topics that run through the arguments for decentralisation. One of the most significant ones is associated with democratisation. It can then be summarised that the idea of decentralisation is to bring government closer to the people. There are a number of connected strings attached to this line of argument (Wittenberg 2003:6–7).

Firstly, it is argued that local governments are more likely to be accountable to their constituencies. It is assumed that information flows better within a geographically more confined area. This allows communities to be able to notice much faster whether the local authorities are attending to the needs of their constituents.

Secondly, additional levels of government may increase the openings for people to become directly involved in government decision-making. Provincial and local government bodies do establish additional layers of councillors and full-time politicians. This need not be an unambiguous contention. It increases the cost of governance, more so if some of these positions become merely 'rubberstamps' for loyal party servants.

Thirdly, such additional positions may be a valuable training ground for national leadership. However, there may be politicians who work their way up from local or provincial positions.

Fourthly, local government may add to the conception of checks and balances within the system. Separating power is frequently the overriding concern when there are strong tendencies to fission in a national polity. A federation may be the most viable organisational form in such circumstances. Such a separation of power hinders the possibility of large scale unilateral restructuring.

Fifthly, an abundance of elected structures may encourage a culture of political debate and civic mindedness. This in turn leads to more aware and active communities more capable of enforcing their interests. The empirical evidence for this is quite ambiguous, however, given that in many countries voting interest in local elections is quite low. Indeed such 'local' elections are frequently used as referenda on 'national' issues. Voters can send a message to the incumbent government, without destabilising that government itself

Sixthly, local choices may lead to a greater variety of lifestyle options for its citizens. This is the celebrated Tiebout "voting with the feet" model. According to this view local residents now get two opportunities to choose the lifestyle that they want: they can vote for their favourite policies within their existing locality and they can relocate to another locality which offers them a better amenities/cost bundle (Wittenberg 2003:7).

Decentralisation and efficiency of services

The most important subject raised in arguments around decentralisation addresses questions of the efficiency with which services are provided. Again there are numerous points within this theme (Wittenberg 2003:8).

Firstly, there may be significantly lower transaction costs involved with providing services locally. These transaction costs include the delays incurred in negotiating command chains which extend to the national head office; lower monitoring costs if the elected political representatives are based in the area; and improved use of local knowledge.

Secondly, there is likely to be a closer fit between the preferences of local populations and the services rendered if the decisions are made locally. This would lead to a higher level of consumer surplus.

Thirdly, local governments may be more effective at raising revenue.

Fourthly, if local populations are able to compare the performance of their government with that of adjoining ones, this can provide a disciplining force on those governments.

Fifthly, municipalities may be better able to deal with the free rider problems associated with the provision of certain communal goods. They may thus be better able to bring out



community effort than national government would (Wittenberg 2003:8; Van der Waldt 2007:32).

DECENTRALISATION AND IMPLICATIONS FOR GOOD GOVERNANCE

In South African publications dealing with development, the term *decentralisation* is primarily employed to denote a concept, such as the decentralisation of functions with a view to streamlining a service rendered by authorities. Pieterse (in Parnell *et al.* 2008:7) has argued that a broad-based consensus emerged that democratic decentralisation will produce effective local government that is responsive to the needs of the poor and can provide opportunities about issues that matter most in people's lives. Whelan (in Parnell *et al.* 2008:233) notes that extensive decentralisation opens up the possibility of *unfunded mandates*, which result when the transfer of responsibility occurs without the transfer of sufficient funding.

A form of decentralisation is occurring in South Africa with the strengthening of local government and introduction of Integrated Development Plans (IDPs), which are meant to give a strategic direction both to the work of the municipality and provincial government operating in its area. Municipal governing bodies and municipal officials often have deep knowledge of local affairs (Hall in Ayre and Callway 2005:123). There is another view by Bahl (2001:7) that local choice (as opposed to uniformity) is more consistent with the accountability principle of a decentralised system of government. Municipalities must be able to build their own tax choices, based on local preferences, as they do now.

Many parts of the world, in both developed and developing state, are experiencing decentralisation and/or devolution of government authority for a wide range of issues including natural resource management and biodiversity. In some cases, this process is motivated by some policies, in others by structural adjustment conditionally, and in others, it is simply a matter of short-term financial necessity for cash-strapped central governments (Deutz in Ayre and Callway 2005:195).

Good governance is defined most often in terms of institutional qualities, for example, accountable, transparent and democratic. When thinking about improved governance for poor communities, it is more useful to consider the essential services that governments must provide, rather than the kinds of institutions needed to provide them. Paarlberg (in Ayre and Callway 2005:173) contends that most modern-day advocates of good governance do not focus on the delivery of public goods. It is more common to focus on desired governmental phenomena like decentralisation, devolution, democratisation, less corruption, greater transparency or greater participation by civil society, and then assume that good governmental performance will follow.

It is important for practical reasons to focus on what governments do, rather than on what governments are. In defining the good governance needed to achieve sustainability of services provided, Paarlberg (in Ayre and Callway 2005:180) has found that the traits of governments are less important than the actions of governments. He has argued that the government actions most needed are those that will deliver basic public goods to the wider community through decentralisation.

LINK BETWEEN DECENTRALISATION AND SERVICE DELIVERY

Decentralisation has been associated with democratisation and devolution. Decentralisation and devolution have been pursued to improve the working environment and to encourage innovative ways to increase efficiency and improve programme delivery (Dibben, Wood and Roper 2004:81). Formal decentralisation of infrastructure delivery in South Africa took place in 1996, when the government's first approach was considered through the national Reconstruction and Development Programme office (Cross in Huchzermeyer and Karam 2010:252).

Yemek (2005:14-15) reasons that the decentralisation of basic social service provision in South Africa demonstrates the convergence of policy towards transforming South Africa into a society in which there is human dignity, equality and equity. Around the world, experience shows that fiscal decentralisation goes hand in hand with increased social service delivery and economic growth, and better poverty reduction. Within the framework of fiscal decentralisation, subnational governments are set to play an important role in the growth and development of South Africa, and by implication in the alleviation of poverty, given their mandate as set out in the Constitution.

Robinson (2003) cited in Yemek (2005:16) states that an important rationale for fiscal decentralisation is that subnational governments, being closer to the people and hence better equipped to obtain information on local preferences and needs at lower cost, are more likely to conceive and implement pro-poor policies. Fiscal decentralisation can generate gains in financing, efficiency and quality by devolving resources and decision-making powers to subnational governments for the delivery of services.

Intergovernmental system

The current intergovernmental system effectively has three spheres:

- National government has responsibility for security (army and police) and national economic policy as well as for overall direction of the social service departments;
- Provincial government administers the major social services: education, health, transfer payments (e.g. social pensions and child care grants);
- Local government, consisting of three categories, viz district municipalities (category C) in some cases organise water and sewerage reticulation and other bulk infrastructure, while in other cases they do not have a clear rationale and act as municipal service providers of last resort, if their constituent municipalities do not have the capacity to fulfill their mandates;
- Local municipalities (category B) and metropolitan municipalities (category A) have a key role in the provision of basic services, in particular water, sanitation, refuse removal, electricity and town planning

FIRST WORLD INFLUENCE ON DECENTRALISATION

The introduction of the 1998 local government framework in South Africa was largely influenced by a global discourse on decentralisation, and by the approaches to planning



taken by centre-left parties in influential countries such as the USA, the UK and Germany (Harrison in Pillay *et al.* 2006:203-204). Whilst decentralisation is part of a global development discourse, promoted by other major development agencies, the force of emphasis given to decentralisation by *Gesellschaft für Technische Zusammenarbeit* (GTZ) has to do with Germany's own model of government which, for historical reasons, has an unusually high level of decentralisation, and is largely territorial in its organisation (Harrison in Pillay *et al.* 2006:199).

Decentralisation has been experimented with throughout liberal democracies. In Australia, for example, the public sector has undergone major reforms in recent years. One aspect of this reform has been the creation of devolved agencies at all levels of government (Rose and Lawton 1999:109).

Local authorities have become more important as power has been decentralised from central government. According to Parnell and Poyser (in Parnell *et al.* 2008:254) this trend is particularly pronounced in Europe, with the creation of the European Union. In many European countries, there has been a rise in regionalism and devolution of power from the central to lower levels of government. Decentralisation in Europe has led to an increased focus on localities, in particular individual cities. The focus on individual cities, and hence the importance of local government, is further enhanced by the forces of globalisation.

A discussion on the challenges of decentralisation follows in the next section.

CHALLENGES OF DECENTRALISATION

Yemek (2005:3) contends that adjusting the framework of revenue allocation to the three spheres of government, and determining the share to be received by each decentralised government to match the social needs of poor communities, while strengthening the economy, is still a challenge for the South African government. Wittenberg (2003:50) maintains that the challenge facing South Africa is how to ensure that the reforms that have been introduced thus far create interests that will ensure that these reforms are carried through.

According to Elhiraika (2007:4) the adverse effects of decentralisation on service delivery arise due to a number of common factors. These factors include *firstly*, lack of capacity at sub-national government level, which restricts local service delivery because local authorities lack the ability to manage public finances and keep proper accounting procedures. *Secondly*, misalignment of responsibilities owing to incomplete decentralisation or political factors. *Thirdly*, political capture by local elites when civic participation in local government is low. *Finally*, other problems including a soft budget constraint that leads to over borrowing by sub-national governments, implying that they borrow more money than they are able to repay from all their resources.

Decentralisation theory states that equity should be enhanced in the local government sphere because of the closeness of the people to the policy-makers. However, according to Pillay (in McLenan and Munslow 2009:154), the reality is again substantially different in the context, given the widespread inequality between and within municipalities in both urban and rural areas. However, heavy dependence of provincial governments on transfers from

the central government suggests that the benefits from fiscal decentralisation in terms of improved service delivery due to enhanced transparency and accountability to local citizens are likely to be limited (Elhiraika 2007:21).

CONCLUSION

Decentralisation has enhanced participation in decision-making, enabled local communities to determine their local leadership through democratic elections, provided institutionalised structural arrangements for participatory bottom-up development planning, and for involving special groups such as women, youth and the disabled in decision-making. It has also facilitated the mainstreaming of gender in development planning at local level/sphere. The article examined and provided a broad overview of the decentralisation framework in South Africa and its impact on service delivery. It was argued that the primary goal of decentralisation is to achieve a broad-based, sustainable improvement in the standard of welfare of all citizens in a country.

The success of decentralisation reforms also depends on consistent and coherent national policies, sound legislative and regulatory frameworks for decentralisation, and effective review mechanisms to solve disputes between all spheres of government. It was argued that in South Africa the service provision and good governance can best be achieved through decentralisation. This article supports the view that service provision in South Africa can be effectively achieved through decentralisation. Decentralisation and devolution have been pursued to improve the working environment and to encourage innovative ways to increase efficiency and improve service delivery.

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