



VOICES OF ANGER

Phumelela and Khutsong: protest and conflict in two municipalities

In late 2004, violent protests broke out in several municipalities against poor service delivery and poor local governance; the unrest spread through the country, and has continued sporadically ever since. CDE has studied two affected areas: Phumelela in the eastern Free State, and Khutsong on the West Rand, whose incorporation into North West province sparked off an uprising that recurred in early 2007.

THIS STUDY IS AIMED at establishing the reasons for the recurrence of violent protests in a democratic South Africa. Above all, it is aimed at recording the grievances of those people who came to believe that this was the only way in which they could make themselves heard (see box: **Researching Phumelela and Khutsong**, page 2). They had many specific grievances, but they all had something in common: a sense of having been treated with indifference, or even contempt. Whether this was over leaking taps, or incorporation into another province, these citizens of our new democracy fundamentally revolted against insensitive, unresponsive, and unaccountable political elites.

Each outbreak of protest had its own profile and dynamics. Local conditions and even the performance of specific individuals were among the triggers that set off confrontations. However, it is clear that *national* issues often drove unrest in places that were off the beaten track, and out of the minds of metropolitan policy-makers. Among these issues are a shortage of skills, an absence of leadership and accountability over a wide range of governance functions, and a yawning gap between the formulation of ambitious policies and the availability of the managerial resources and expertise needed to achieve them in practice. To these may be added a tendency to underestimate the strains and pressures of the restructuring and transformation of local governments, and – in the case of Khutsong in particular – uncertainties and confusions over the rights and responsibilities of the three spheres of government.

It is in this interplay between national issues and local performance that municipal protest should be understood. Many municipalities face daunting problems, but still manage to cope. In others, daunting conditions are met with weak manage-

ment, hesitant or absent leadership, poor communication, political favouritism, and ineptitude. When this happens, as it did in both Phumelela and Khutsong, citizens eventually lose patience, and resort to violent protest.

Researching Phumelela and Khutsong

This report is based on:

- secondary research on socioeconomic conditions and infrastructure provision in the two municipalities under review;
- interviews in both municipalities with current and previous councillors, current and previous officials, community leaders, business owners, security services personnel, as well as officials of the relevant provincial governments; and
- focus group sessions in both municipalities, some with participants in the protest and others with citizens who were not involved.

CDE 2007

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PROTEST IN PHUMELELA

Phumelela was one of the first municipalities to experience violent protests, and is a typical example of the recent municipal unrest at least in the limited sense that discontent there focused on poor delivery of the most basic services, notably water and sanitation. However, the anger provoked by this dysfunctional council embraced the relatively well-off as well as those deprived of decent living conditions. Indeed, unrest in Phumelela was driven by a coalition of the previously advantaged and the still disadvantaged against an incompetent and unresponsive new political and administrative elite.

Phumelela Local Municipality has a population of about 50 000, and consists of three small towns in the north eastern Free State, namely Memel, Vrede and Warden; their respective townships, namely Zamani, Thembalihle and Ezenzeleni; and their agricultural hinterland.

Phumelela is a good example of current stresses in rural municipalities because its three towns face several mutually compounding difficulties. The first is the uncertain role of small towns in a changing South Africa, which no government development strategy seems to adequately address. The second is the rapid migration of poor and unskilled people from farms and other purely rural areas to small towns, which is placing increasing demands on services without contributing to the local tax base. Table 1 shows that the total population of Phumelela has declined slightly since 1991, but that the balance between its rural and urban components has changed significantly. In 1991 the split was about two thirds rural to one third urban; by 2001 it was about 60 per cent urban to 40 per cent rural.

Table 1: Population change in Phumelela, 1991-2001

Date	Urban population	Rural population	Total
1991	17080	36007	53 087
1996	24112	21181	45 293
2001	29684	21206	50 890

Source: CDS calculations based on Phumelela Local Municipality, Housing Sector Plan, Vrede, 2005.

For Phumelela, and many other municipalities like it, these stresses came at a time of flat economic growth – 0,22 per cent between 1996 and 2004 – and even negative growth in key employment sectors. This low growth rate precluded making an impact on the unemployment rate of 38,6 per cent, and the 78,2 per cent of people in the municipality living in poverty. In this general context of poverty and economic stagnation, the poor state of infrastructural development was an important underlying reason for the social unrest, frequently cited in media reports and in the interviews and focus groups that made up CDE's field research.

Infrastructure problems in all three of Phumelela's towns began with inadequate provision (see table 2), and were exacerbated by poor planning and management

Table 2: Access to infrastructure in Phumelela, 2001

Indicator	% and absolute number in municipality	Ranked in Free State (x/20)*
Households with bucket / no sanitation	45.5 (5470)	13
Households without water access or with access to water further than 200m away	11.3 (1359)	15
Households without access to electricity	35.2 (4232)	19

* The best level of access is ranked no 1 and the lowest level of access is ranked no 20.

Source: CDS calculations based on 2001 census data.

The primary source of discontent was poor water provision, compounded by poor sanitation

The primary source of discontent was poor water provision, compounded by poor sanitation, which in some instances resulted in sewage flowing into the streets and leaking into rivers and dams. Interrupted electricity supplies and poor garbage collection were added sources of irritation, especially for business people in both the towns and the townships. All three urban areas were affected by these problems, which featured prominently in petitions and memoranda of demand that united a wide cross-section of the population.

This combination of poverty, economic stagnation, and inadequate service delivery formed the background to the protest action in Phumelela, which followed more than a year of meetings between various community groups and council representatives. Protests lasted intermittently for about two months, from mid-September to early November 2004. In all three towns – Vrede, Warden and Memel – the main protagonists were groups of unemployed and school age-youths which called themselves 'Concerned Youth Groups'. However, in all three towns, ratepayers' groups consisting of white residents also played a prominent role in the protests, and business people – both in the towns and the townships – aired specific grievances.

No one was killed during the protests, and only a few people seriously injured, but municipal property was extensively damaged. The complaints of the protestors were largely similar in the three areas, and included:

- inadequate and dirty water supplies;
- the persistence and poor management of the bucket sewage system;
- sewage spills;
- irregular electricity supplies; and
- poor condition of roads (especially in Thembalihle, Zamani and Ezenzeleni).

These inadequacies were compounded by allegations of nepotism; corruption (in respect of the allocation of housing subsidies in particular); and arrogant and indifferent behaviour by council employees.

KEY FINDINGS

The key finding from field work in Phumelela is that while poor and insecure living conditions associated with poverty and unemployment provided fertile grounds for discontent, problems of governance and management greatly compounded the potential for unrest. The grievances aired in focus groups and interviews revealed how complex service delivery issues are, and the major role of local and human factors in triggering protests.

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Governance problems

At the time of the protests, the Phumelela Council had 14 members. Eleven were members of the ANC, and the three others were members of the Democratic Alliance, Ratepayers' Association, and Freedom Front.

However, the ANC representatives were divided into two factions whose differences paralysed the body to the extent that, when meetings were convened, one of the two factions would simply stay away. (According to an alternative interpretation, meeting times were manipulated to avoid engagement.) Consequently, no council quorum was achieved from mid- 2003 until the demonstrations in September 2004. As a result:

- The council could not take any decisions, thus leaving the administration without strategic direction for more than a year. No policies or budgets could be approved, and institutional memory of council finances and financial management systems lapsed. No financial statements were drawn up for three financial years.
- Council members made very little effort to communicate with their ward committees.

This split and its negative impact on service delivery featured prominently in the perceptions of protestors. One of the leaders of the protest reflected that despite the urgent problems surrounding water provision, '... our councillors saw fit not to talk to one another.' Another stated: 'We knew that the water crisis could be prevented if the municipality functioned normally... this is not what we expect from a democratically elected government.'

Members of focus groups in Phumelela heavily emphasised the sense of grievance felt by citizens about the unreliability of their representatives.

One stated: 'What I learned from the protests is that our provincial, district and local officials are liars. They are quick to make promises, but when it is time to fulfill those promises, they look for scapegoats.'

When asked what should be done to prevent similar protest in the future, an interviewee – a business person from Ezenzeleni – stated: 'By making sure that whatever is agreed upon at the public meetings is done as promised.'

A major source of dissatisfaction among an increasingly sophisticated and aware citizenry was the ineffectiveness of the Municipal Integrated Development Plan (IDP). The IDP identified all the main weaknesses that led to the protests 18 months later, but nothing was done to address them. It is legitimate to ask: who read Phumelela's IDP at what levels and spheres of government? And what did they do about it? When another respondent pointed out that 'we complained on a daily basis, but what we got was ... an IDP', he was reflecting the gap between the world of expensive and itinerant consultants and the reality of citizens' daily lives.

Administrative problems

- **Labour relations and human resource management**

Agreements with trade unions, related to the unfinished business of amalgamating the former transitional local councils, were instrumental in crippling the municipality by frustrating good organisational and managerial practice, and hindering service delivery. More than five years after amalgamation, no viable human resource system had yet been put in place. There were several dimensions to this problem.

- Before amalgamation, each municipality had a town clerk and two or three senior managers. As part of the amalgamation process, new senior appointments were made; this caused resentment among the incumbents, and many of them resigned. The council could not replace these middle managers because of an agreement with the trade unions that no new staff (except Section 57 managers)¹ would be appointed before the amalgamation framework had been completed – something which, five years later, has still not been achieved.
- By 2006, almost 25 per cent of municipal posts were vacant, creating an absence of accountants, engineers, and specialists in human resource management – the middle-management positions essential for service delivery. Many of the service delivery problems that were prominent in the memoranda and other complaints handed to the municipality can be related directly to the lack of technical skills and loss of institutional memory.
- Job descriptions had not been finalised. Accountability for required functions became vague, and workplace discipline deteriorated. This problem extended from the highest to the lowest level. No performance management agreements had been drawn up for the municipal manager and section 57 managers, as required by the Municipal Systems Act.
- The absence of functional human resource systems left the organisation without the internal machinery to drive the required service delivery or to plan long-term

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strategic interventions, which showed itself in a lack of responsiveness to customer complaints. Thus one focus group member stated: 'Many of the incidents that we witnessed could have been prevented if we had officials who are accountable to the people.' And another: 'The Phumelela municipality has become a haven for corrupt, incompetent, and power-obsessed individuals.'

Two years before the unrest, the IDP recorded the following problems within the municipality: a shortage of service equipment; a lack of a proper credit control policy; a dearth of skills at all post levels; a lack of legal contracts, policies and structure; the absence of any proper management of resources; a need for effective communication with communities; and a lack of discipline among workers.²

- **Lack of financial management**

The contribution of financial mismanagement to the municipality's problems emerged clearly in the aftermath of the unrest.

Early in 2005 the Parliamentary Select Committee on Local Government and Administration conducted a study into conditions in Phumelela.³ Its report, tabled in May 2005, recorded the following about financial management in the municipality:

- Internal financial controls were non-existent. A total of R34 million had been budgeted for the 2003–4 financial year (this excluded intergovernmental capital grants, but included the equitable share grant). However, Phumelela's income was only R26,9 million, because of poor collection of rates and service charges. The budget had been calculated on the assumption of a service payment rate of 70 per cent, but only 54 per cent of service charges had actually been collected. The municipality had accumulated arrears of R33 million by the time the committee reported in May 2005 (these had increased to R41 million by June 2006).
- Expenditure on personnel comprised 47,3 per cent of the total budget – considerably higher than the 35 per cent guideline issued by the National Treasury. The heavy expenditure on salaries (and the consequent lack of revenue available for maintenance) was directly related to the fact that a number of people who had reached pensionable age could not be put on pension, as nobody in the municipality knew how to do this.
- The chief financial officer (CFO) – who had studied accountancy at university but did not complete his degree – was not competent to manage the municipality's finances.⁴ He had replaced a previous incumbent who had been the CFO of the former Vrede Transitional Local Council. His predecessor was highly experienced, but was lost to the municipality as a result of an unresolved dispute about his status and pay
- Between 2001 and 2004, financial management became increasingly chaotic. Cheques were issued when funds were available, and no systematic payment procedure existed. No financial statements were available for the three years covered by the parliamentary report, and no one was able to reconcile monthly statements during this period. Intergovernmental capital allocations paid into the municipality's bank account were not recorded; separate cost centres were not created for these funds, as is prescribed by law. Because the municipality was short of cash, some of these funds were probably used for salary payments. Although specific instances of corruption are extremely difficult to prove in such

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a chaotic situation, there was certainly an environment of financial mismanagement in which corruption could easily emerge.

- Council-approved credit control and debt collection policies had not been implemented. People were experiencing serious problems with their municipal bills – which was amply confirmed by the focus group discussions. Municipal officials had failed to report to the council (as required by Section 71 of the Municipal Finance Management Act). Councillors were unsure whether the municipality was complying with its tax, levy, duty, pension, medical aid, audit fee and statutory commitments.

Financial mismanagement contributed directly to the grievances of the 2004 protestors. Tractors had not been repaired since 2001, and road graders had been broken for a number of years. This had a direct impact on refuse removal, bucket removal, and road maintenance. The fact that capital grants were not recorded meant that some of the funds meant to be used for maintaining and improving infrastructure were probably used for salaries.

The uncertainty surrounding the council's finances also contributed to citizen's loss of trust in officials and councillors, and fuelled their resentment at the large salaries paid to municipal managers. The combination of poor delivery, managers' comparative affluence amid residents' poverty, and their inability to account for the municipality's finances could scarcely have been more provocative.

- **Management style**

Both the Concerned Youth Groups and ratepayers' associations in the three towns regarded the municipal manager as incompetent – a verdict the parliamentary select committee agreed with – making his shortcomings a focus of their discontents, and demanding his resignation. However, the municipal manager was not alone in attracting criticism. The Concerned Youth Groups and ratepayers' associations portrayed all the managers, including the municipal manager, as arrogant, unapproachable, and unwilling to listen. Focus group members spoke of poor management, managers without appropriate qualifications, and an arrogant approach towards members of the community. Numerous interviewees mentioned the fact that their complaints were either ignored completely or inadequately addressed by both councillors and officials. The interviews and focus groups pointed to a serious breakdown in communication between the municipality and residents. The lack of an appropriate complaint management system seems particularly important. Residents took their frustrations directly to the municipal manager and other senior managers, who were ill-equipped to interact with the public and deal with specific problems. Frontline staff members who should have dealt with complaints were frequently unavailable, and when they were available, they were often rude and arrogant.

- **Corruption and nepotism**

A large number of allegations of corruption and nepotism were made, including nepotism in employment practices, and irregularities in allocating tenders and housing subsidies. Allegations of corruption were made in the memoranda⁵ handed over to the municipality and they were forcefully repeated in the interviews conducted with leaders of the protests. Although the chaos attributable to lack of financial

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management made it difficult to prove or disprove these allegations, a report by KPMG, completed in November 2005, did discover gross irregularities in respect of the construction of RDP houses.⁶

The impact of the protests

When the interviewees and focus groups were asked what the protests actually changed, the answers were largely negative, ranging from a simple 'nothing' to grudging acknowledgment of some changes. Community groups from the former black townships in particular tended to express the view that little had changed in their day-to-day living conditions some 18 months after the protests. However, despite this perception, some impacts of the protest should be discussed in detail.

The most significant outcome of the crisis was that, on 1 December 2004, the provincial government assumed responsibility for running the municipality; the council as well as municipal officials were relieved of their duties, and an outside administrator was appointed. Exercising powers conferred on it by section 139(1)(b) of the Municipal Systems Act, the provincial government assumed responsibility for specific executive functions, including correcting critical staff shortages and the placing of staff; collecting all monies due and payable to the municipality; restoring financial management, administration, and record-keeping; restoring collapsed internal controls; and restoring creditor management.

The province had to ensure that local communities would have access to at least the minimum level of basic services; restore a safe and healthy environment; and deal with pollution caused by sewage spillages in the municipal area.

The municipal manager and mayor were both 'redeployed'. The mayor was employed in the Free State provincial government. The municipal manager was handed a severance package, and given a senior management position in the Maluti-a-Phofung Local Municipality. He was acting municipal manager of this municipality during 2006. The chief financial officer was dismissed, and lost a court case against the municipality for unfair dismissal.

Since the initial decision to place the municipality under provincial administration, it has been run by three external administrators. By mid-2006, when the field research for this study was conducted, financial controls had improved significantly. However, external administration was lifted in November 2006, and the key question is whether the reconstituted council and municipality will cope sustainably with the continuing challenges of leadership, management, and service delivery in the municipality.

The protests have also resulted in assistance from other spheres of government under Project Consolidate, announced in July 2005⁷; through the Department of Water Affairs a sum of R26 million has been made available for the eradication of the bucket system and a storm water project in Ezenzeleni has been undertaken by the same department at a cost of R1,8 million; engineers from the Sedibeng Water Board and Department of Water Affairs have been appointed to assist the municipality with upgrading water access and quality; in Warden, a project to upgrade the main road was initiated. These are welcome initiatives but the danger remains that they too could fall prey to mismanagement; a visit by researchers to Memel in June

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2006 revealed that one of the initiatives, a project in Zamani, for the upgrading of the purification works costing R2,7 million had stalled due to the employment of an inexperienced contractor.

Focus groups reported that the management of complaints and communications with residents had improved. By mid-2006, all the ward committees were functioning, and municipal managers and councillors **seemed more accessible**. One business person from Ezenzeleni noted: 'At least, the community is now informed when electricity is to be cut.' A focus group member remarked: 'Things are better now; we are promptly assisted when we visit the municipality. Municipal employees getting drunk during working hours are a thing of the past. The expectation among residents is that our situation may improve in the near future.'

Another stated: 'While we are not yet at a point where we are able to say that service delivery is at an acceptable level, the management of the municipality has improved. There has been a notable improvement in the attitude of frontline workers at the municipality.'

The council also seems to be performing its governance role more adequately. Researchers noted an apparently healthy relationship between ANC and opposition councillors in mid-2006. **Whether due to the influence of the administrator and the outside scrutiny that the council had attracted, or the removal of the municipal manager and mayor, the divisions between the ANC councillors that had contributed so substantially to the council's dysfunction before the unrest were absent.** Once again, time will have to tell whether these improvements will endure.

However, protestors and residents in the former black townships remained skeptical about the outcomes of the unrest. Comments included the following:

- 'We are still drinking water which is not good for human consumption; we still walk and drive on roads filled with potholes. Our refuse is still not removed regularly.'
- 'The quality of the water has improved, but the municipality can do much better.'

Inevitably the verdict on the outcome of the protests is mixed. The provincial government took effective action to bolster the municipality. However this leaves open the question of why this step was only taken after local residents had resorted to violence, when problems had been clearly telegraphed in advance. It is also unclear how well the council and municipality will perform once this support is removed. Finally, the fact that the mayor and municipal manager have continued their careers elsewhere does not seem to be a victory for the notion of accountability.

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PROTESTS IN KHUTSONG

Khutsong is a township outside Carletonville, a major mining area west of Johannesburg. It forms part of Merafong Local Municipality which, until its incorporation into North West province, straddled the south west of Gauteng and north east of North West.

Khutsong means 'place of peace'; however, between December 2005 – when the national government passed legislation to do away with so-called cross-border mu-

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municipalities – and October 2006, unrest in the township generated more than 80 news reports. By the end of April 2006, violent protests had caused R70 million of damage to public and private property. A further indication of discontent was the successful boycott of municipal elections in March 2006. A mere 232 of 29 540 registered voters cast their ballots – and 12 of those were spoiled.⁸ This compares with 13 422 voters in the 2000 municipal elections, a turnout of 57,2 per cent. During the election campaign, all existing councillors had to be relocated to mine houses outside their area in the wake of house burnings, threats, and actual violence against them. Other effects of the unrest included:

- A decline in municipal service payments

The scale and intensity of the unrest allowed very little service delivery to take place. This fuelled the culture of non-payment for services. Previously, payment levels in Khutsong and Khutsong South were as high as 50 per cent, but in April 2006 payment levels dropped to 12 per cent in Khutsong and 24 per cent in Khutsong South. According to an Eskom representative interviewed for this study, payment for electricity in Khutsong dropped from 87 per cent prior to the unrest to 43 per cent, increasing outstanding debt from R37 280 to R439 580. Illegal connections also increased significantly, as Eskom could only account for 45 per cent of the power supplied to Khutsong.

- **Deterioration in service delivery:**

Municipal officials and vehicles could not enter the area to maintain infrastructure. All payment points were burnt down, and all community development projects came to a standstill.

- **Impact on local business in Khutsong**

In late 2005, Eskom provided electricity to 126 small and medium businesses in Khutsong; by June 2006, this number had decreased to 35.

Key findings

Khutsong does not fit easily into any template of municipal protest, especially one that emphasises ‘service delivery’ as the principal axis of discontent. It may be tempting to treat the unrest in Khutsong as a once-off phenomenon, given that it was related to a very specific set of circumstances and a single policy decision, which decreed that the cross-border municipality of Merafong City should be incorporated into North West rather than Gauteng. However the same pattern of failure to understand and respond appropriately to expressions of popular choice or discontent led to the anger and escalating protest.

- **A confused process**

The government’s decision to abolish cross-border municipalities was based on a desire to rationalise their administration and eliminate the duplication and poor co-ordination of functions and services. The Constitution Twelfth Amendment Bill

allowing the phasing out of cross-boundary municipalities – of which there were 16 – was adopted in mid-2005.⁹

Despite this apparently decisive act of policy, the sequence of events, decisions and communications intended to give it effect were hesitant and confused. The first two government notices (19 August 2005¹⁰ and 2 September 2005¹¹) by the Minister for Local Government, Sydney Mufamadi, indicated that Merafong City Local Municipality would be incorporated into North West. Thereafter, submissions were made by different groups (including taxi associations, ratepayers' associations, and the Merafong Mayoral Committee) that Merafong should remain in Gauteng.

In November 2005, citing the results of an impact assessment and an analysis of the public hearing submissions, and contrary to the wishes of national government, the local government portfolio committee of the Gauteng legislature stated that Merafong should be included in the West Rand District Municipality in Gauteng.¹² However, on 5 December 2005 the legislature approved legislation allowing Merafong to be incorporated into North West, thus ignoring the recommendation of its own committee.¹³

Adding to the confusion was the role of the Municipal Demarcation Board. Between August and October 2005, the Board appeared first to give effect to the Minister's wishes for Merafong (and Westonaria) to be included in North West and then to withdraw in the face of public objection, before issuing press statements to the effect that it had no powers in the matter anyway.¹⁴

Whatever the merits in principle of abolishing cross border municipalities, the point appeared to be lost on the government that public objections centred on *specific* instances of re-demarcation¹⁵ and it was injudicious to say the least to invite public comment on them and then appear to ride rough shod over it. However this is precisely what the government did when the Cross-Boundary Municipalities Laws Repeal and Related Matters Act was gazetted on December 27 2005.

This complex, confused and poorly communicated process fuelled high levels of mistrust at the community level, especially among those already critical of and sensitive to these cross-border arrangements. In explaining the unrest, much hinges on the issue of consultation and its relationship to decision-making. Community stakeholders clearly believed that the point of consulting them was to have their expressed views determine policy-makers' decisions. Anything else was regarded as bad faith, and insensitivity to local feeling. However, even an adverse decision might have been accepted if it had been better motivated and communicated.

- **Party intrigues**

To some people interviewed for this study, the sense of being ignored within the ANC clearly hurt more than any other factor. Some indicated that the local ANC councillors had been 'sold out' by national ANC leaders, while others believed that Merafong was given to North West as part of some high-level political deal in exchange for the incorporation of Winterveld into North West.

According to local ANC councillors, the ANC national executive started negotiations with the ANC in North West prior to any engagement with the residents of Khutsong. The ANC national executive also apparently already knew that Merafong

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would be incorporated into North West prior to the NCOP announcement that finally confirmed Merafong's change of status. This fuelled the rumours exploited by the local protest leaders. This lends itself to the interpretation that the government was looking to local ANC structures to sell government policy only, and not help to determine it.

Some of the officials, councillors and business people interviewed argued that some of the leaders who mobilised the unrest were ANC veterans who had lost their seats as councillors in the 2001 election, and had subsequently been sidelined by the ANC. They therefore allegedly used the cross-border dispute to mobilise community support against the national and provincial cross-border decision.

- **A heavy national hand**

According to municipal officials and protest leaders, the situation was further compounded by the attitude of national political leaders. In particular, community leaders regard the role and attitude of Mosiou Lekota, Minister of Defence and designated national peacemaker in Khutsong, as a major factor fuelling the violent protests. One religious leader stated:

'Lekota was too harsh, and never wanted to listen to our side. The message about Lekota's attitude spread fast, and people started asking whether this is really the kind of government that they have fought for. ... He told us that when they [the government] formed provinces, they never consulted people. Why should they now consult with us?'

According to a leader of the protests, Lekota told them that government had 'brought an end to many wars in Africa, and stopped the violent political clashes between the ANC and IFP in KwaZulu Natal, so who are the people of Khutsong to take the government on?'

Another noted: 'Lekota also visited me, but he was very disrespectful. He told me that he would see to it that I was dismissed from the public service. I tried to reason with him that there would not have been a problem if people were duly informed about the government's stance on the issue. He then retorted that the issue should have been dealt with a long time previously, and that Mufamadi had delayed the process.'

- **Intergovernmental responsibilities**

Many officials and councillors felt that the government had failed to support the Merafong City Municipality. According to one official:

'The way we were left alone to deal with this issue was not good. The cohesion that was there [between the municipality and government] was broken. Provincial and national officials were supposed to come; instead they issued one document after another. Leaders of the unrest saw the confusion created by government releasing information in the Government Gazette without consulting with the Municipality as an opportunity to further their own agendas.'

Another noted: 'There was no clear voice coming from the provincial and national governments. The Gauteng Legislature and the Demarcation Board were also not

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speaking with one voice. They were saying different things at different times. In the meantime, people got angry.'

A protest leader also recalls the widespread confusion in official circles:

'We were given a document which identified and clarified roles and steps to be taken by various functionaries, together with the time frames. The programme of consultations was never followed. The chairman of the Demarcation Board was even surprised when he learned that we have a copy of the document. ...We approached an advocate in the President's office for advice. We also approached the Public Protector, because the voting process in the National Assembly on the Cross-border Bill and the Constitution Bill was not fair. The summary of the voting process indicates that only 265 instead of 266 voted for Merafong's incorporation into North West. As it was not a two-thirds majority, the computer rejected the result, but the name of the North West Member of Parliament was added with a ballpoint pen. This is fraud. ... We are now waiting for the decision of the Public Protector. He was expected to give his verdict on 29 May (2006), but the Speaker of Parliament applied for an extension ...'

At the conclusion of field research in July 2006, protest leaders were still waiting for a response from the Public Protector.

It is difficult to gauge whether a more negotiated process would have avoided the unrest; after all, the wrong decision – in the eyes of all stakeholders interviewed – was taken. However, all those interviewed agreed that the conflict was worsened by the autocratic handling of the situation by the national and provincial governments.

Clearly, the case of Merafong involves issues both of substance and of process. Although it could be argued that the issues of substance were so large that the unrest would have occurred in any case, the situation could probably have been defused by better communication and more effective engagement with the local community. It is clear from the interviews and media reports that there were some opportunities for compromise that were not explored or exploited.

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WHAT HAVE WE LEARNT FROM THE TWO CASE STUDIES?

How is our democracy doing?

The recurring outbreaks of discontent in many municipalities across South Africa have understandably caused concern about the stability and sustainability of the country's newly inclusive democratic institutions. These case studies paint a picture of concerned and active citizens frustrated by incompetence and indifference:

- There is clear evidence in both case studies that aggrieved citizens used a variety of peaceful and democratic means of making their grievances heard both before and after violence broke out. Violent protests only broke out after democratic mechanisms had been exhausted. These were often mature and sophisticated,

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using the resources provided by the constitution (including the Public Protector) as well as a variety of lobbying resources.

- In Phumelela, citizen groups tried to find their own solutions to service delivery problems, among other things by financing a water pipeline and arranging for the re-employment of a water expert. Given the anonymity of the research process, members of the ratepayers' groups have not been profiled, but they were probably people with roots in the old South Africa. Far from subverting or withdrawing from the new political order – as caricatures of small-town whites would assume – they were trying to find creative and constructive solutions in the new context. In doing so, they co-operated with action groups formed by frustrated township youths. Indeed, the Phumelela protests may be characterised as a coalition of the previously advantaged and the still disadvantaged against an incompetent and indifferent new political and administrative elite.
- Respondents in both areas criticised the police for shortcomings of omission as well as commission. Councillors and officials believed the police had failed to protect them and their property; demonstrators felt the police had been too heavy-handed. In Khutsong, supporters and opponents of integration with North West both accused the police of favouring the rival cause. Pursuit of these issues would have required a separate and specialised research project. However, there were no allegations of large-scale police misconduct.
- In Phumelela at least, the unrest led to government action to remedy the situation. Individuals were removed from office, assistance from provincial and national government departments was provided, and administrative and managerial chaos was cleared up. However 18 months after the unrest, residents of the former townships were still waiting for significant improvements. Moreover, the individuals who had frustrated them had been removed from office, but had gone on to equal or better posts elsewhere.

How is local government doing?

It is worth summarising and restating some of the main points emerging from the two case studies to make the main message clear: some municipalities are buckling under multiple pressures.

- **Small town stresses**

Phumelela's small towns face the compound problems of rapid urbanisation and increasing demands on services and governance functions in a context of economic stagnation. The municipality has the dubious distinction of being described – in an official Free State government document – as 'a place of low need and low potential'. This piece of bureaucratic rationalism sums up an uncomfortable truth about South Africa today: no government development policy seems to deal adequately with places such as Phumelela, rural areas whose small towns are coping with an influx of people from farms and other remote rural areas and are staging posts for onward migration to the major areas of growth. The crisis reveals the ineffectiveness of planning to create the possibility of enhanced economic growth that will be essential to sustain places such as Phumelela when the external administrators, supplementary staff from the National Treasury, and consultants move on to places that are even

worse off. To stand on their own feet, municipalities such as Phumelela will have to become attractive to the investors on whom private sector growth depends.

- **Fragile institutions**

Since the amalgamation of municipalities in 2000, the question of institutional consolidation had never been adequately addressed. Many national government policy-makers and officials do not appreciate the difficulties of institutional design and establishment, and seem all too willing to allow municipalities to destroy their own internal capacity. Provincial governments have been slow to recognise impending municipal collapse, and have generally been reluctant to intervene until the situation exploded. Thus far, Project Consolidate has been the main support programme available to ailing municipalities, but while mopping up after disaster is an essential task, far more sustainable solutions are needed. In the case of Phumelela, there was clearly no point of contact between its strategic plan (the IDP) and the operational realities of municipal government. The municipality's organisational structure had never been finalised, and it had no structures for dealing with developmental challenges. Whereas its technical and financial departments should have steadily increased their skills and competence, their already limited numbers of skilled people were allowed to drain away.

Since the amalgamation of municipalities in 2000, the question of institutional consolidation had never been adequately addressed

- **Restructuring strains**

This raises the question of institutional restructuring, which includes institutional and racial transformation, hugely increased responsibilities for providing services, planning for economic development, municipal re-demarcation, and jurisdictional amalgamation. Phumelela was singularly ill-equipped with the human resources needed to engage with these problems and challenges. Several senior office bearers had been propelled into posts for which they were ill-suited, underqualified, or both, by processes that had more to do with political manoeuvring than the public interest, transparency or merit. Because of its institutional fragility, the municipality faced numerous problems of incompetent human resources administration, political favouritism, nepotism, and misapplied racial transformation in these appointments. Whatever the combination, the results were disastrous across all functions of management, especially the crucial area of finance.

- **Ill-advised appointments**

In Phumelela, management inadequacies and failures led – in a predictable vicious circle – to direct failures of service delivery; complaints from the public; a failure to deal with these complaints; more complaints, this time about process and attitude; and, finally, direct protest action. All the respondents who were interviewed or participated in focus groups in Phumelela believed that the mayor and municipal manager were less than competent, underqualified, and had very poor interpersonal skills, which helped to paralyse what little leadership and management capacity the municipality did have. These views were corroborated by official reports. Neither of these key figures appeared to behave with acceptable professionalism or maturity. Whether or not they were directly responsible for the political split that divided the ruling party and paralysed the council is not clear, but they presided over it, and

One of the most disturbing features of the Khutsong debacle is that all three spheres of government were involved

probably exploited it pursuing their own personal differences. The result was chaos. Nonetheless, these individuals had both been chosen by political structures for reasons that were less than transparent, shipped into the municipality, and, when they failed, shipped out again by the same authorities and given equally or even more responsible and highly paid posts. As interviews and focus groups in both Phumelela and Khutsong made clear, this system of 'deployment' obscures accountability and in doing so erodes trust in the minds of the public. In Phumelela and Khutsong it led to cynicism about all public appointments, and encouraged conspiracy theories about all political and governance issues. The research findings were rife with these sorts of sentiments.

- **A lack of accountability and responsiveness**

The most acutely felt grievances expressed in the interviews and focus groups were those that stemmed from frustration at unaccountable and unresponsive governance. This took many forms. The complete breakdown of political leadership in the Phumelela council was one. If a party cannot govern because of a split in its own ranks when it has a majority of 11 out of 14, something is seriously wrong.

Also in Phumelela, the most significant innovation for local responsiveness – the ward committees – were completely dysfunctional and did not play a role as effective channels of communication, leaving no effective means of expressing local grievances. This is a common occurrence. Many councillors have little interest (or insufficient time, motivation, skills, and confidence) to set up functioning ward committees.

- **Power as the last resort: the case of Khutsong**

The case of Khutsong does not fit easily into any template of municipal protest, especially one that emphasises service delivery as the principal axis of discontent. However, the same pattern of failure to communicate and to understand and respond appropriately to expressions of popular choice, misgiving, or discontent, led to anger and escalating protest. One of the most disturbing features of the Khutsong debacle is that all three spheres of government were involved, with national government reserving the right to an effectively unilateral decision. It expected local party and government representatives to 'sell' this to disgruntled residents, approaching local residents only reluctantly and under pressure, only to pour petrol on the flames of discontent by behaving in what appeared to citizens in a thoroughly high-handed way that by all accounts lacked diplomacy and transparency.

CONCLUDING REMARKS

These two case studies provide insights into why some citizens resorted to violence in order to express their frustration with local government. South Africa is a large and diverse country, divided into 284 municipalities, all with their own local dynamics. However the two case studies broadly confirm the findings of other research on local government, including CDE's own, which has pointed to the dangers for municipal governance of wholesale and precipitate structural transformation, and

an unrealistic overload of functions. In the light of such warnings, the waves of popular discontent in municipalities that began in late 2004 and have continued ever since should not be regarded as surprising. In the wake of the discontent across the country, the key question is: what can national and provincial government learn from conflict, and what can they do to establish integrity and confidence in municipal government? In the light of our recent and previous work on urbanisation, small towns, growth and local government,¹⁶ we believe the following questions and issues should be on the agenda:

- The government has adopted emergency support measures to compensate for major shortcomings in governance and delivery in municipalities. But what is the plan, year by year, step by step, and programme by programme to reach a situation where all municipalities can perform at least their basic functions on a *sustainable* basis?
- If municipalities are to be self-sustaining, we need a national strategy to deal with urbanisation and its consequences, particularly the consequences for small towns that are simultaneously experiencing low rates of economic growth as well as the large-scale influx of poor people. What are the roles of different departments in the three spheres of government, and particularly market forces and private companies, in coping with urbanisation?
- How can we ensure the genuine credibility of local government officials and representatives in municipalities such as Phumelela and Khutsong? What part does the practice of deployment play in diminishing citizens' faith in governance, and fostering cynicism and conspiracy theories about patronage and corruption?
- It is important to recognise that the well-publicised skills shortages in municipalities are broader than the shortage of 'hard' technical skills in engineering and finance – crucial though they are. Phumelela was short of leadership, vision and integrity, an ethos of public service, and mainstream management skills. Appointments in local government have to take this into account.

Phumelela was short of leadership, vision and integrity, an ethos of public service, and mainstream management skills

These are difficult challenges for a developing country to face, and no one can pretend that they will be easily resolved. However, they are the kinds of issues that we should be debating, and the government should be thinking about and acting on in the light of continuing protests, some of them violent, in municipalities across the country.

The government should be investigating the causes of protest wherever they have occurred, ensuring that current policies are amended where necessary and essential new strategies adopted. The public – in the country at large and particularly in the affected municipalities – needs to feel confident that sufficient and, where necessary, far-reaching steps have been taken by the relevant authorities.

Most important, the government needs to ensure that events such as these do not recur, and that citizens and their needs are given sufficient respect to prevent them from resorting to violence and destroying much-needed infrastructure. The quality of local governance, democracy, and development is at stake. The plight of small local communities far from the public eye must be taken seriously. CDE hopes that these two case studies will help to give impetus to this essential process of learning and reassessment.

Endnotes

- 1 Section 57 managers refer to managers appointed according to Section 57 of the Municipal Systems Act (act 32 of 2000). These are municipal managers, or municipal directors who are directly accountable to the municipal manager. These managers have specific performance management agreements with the Municipality, and are usually appointed for five a term of five years.
- 2 Phumelela Local Municipality, Phumelela IDP, Vrede, 2005
- 3 Select Committee on Local Government and Administration, *Intervention in the Phumelela Municipality*, Parliament of the Republic of South Africa 20 May 2005.
- 4 Select Committee, Report on Local Government and Administration.
- 5 Warden Residents and Concerned Youth Ezenzeleni, Memorandum handed over to the Premier.
- 6 J Rademeyer, A district pervaded by the foul odour of stagnation, *Sunday Times* 22 January 2006
- 7 BP Sonjica, Minister of Water Affairs and forestry, Launch of Project Consolidate in the Free State, speech, Phumelela Municipality, 5 July 2005.
- 8 Mcebisi Ndletyana, 'Municipal elections 2006: protest, independent candidates and cross-border municipalities', in *State of the Nation*, HSRC Press, 2006, p 106.
- 9 Government Gazette No. 27962 29 August 2005
- 10 Government Gazette No. 27937 19 August 2005
- 11 North West Provincial Gazette No. 6208 2 September 2005
- 12 Gauteng Legislature, Local Government Portfolio Committee Negotiating Mandate on Constitution Twelfth Amendment Bill [B33B-2005], 29 November 2005.
- 13 C. Benjamin, Gauteng does about-turn on cross-border municipalities; ANC-dominated committee backtracks, *Business Day*, 6 December 2005. p3.
- 14 The press statements make only one thing clear and that is that nobody wished to be held responsible for decisions relating to the change in status of cross-border municipalities. See press statements (17 October 2005 and 3 November 2005) by the chairperson of the Municipal Demarcation Board pertaining to the re-determination of municipal boundaries of cross-border municipalities.
- 15 On this point see D Atkinson, 'Has developmental local government failed in South Africa?' in *State of the Nation*, HSRC Press, 2006, p 65.
- 16 See in particular; Growth and development in South Africa's heartland: Silence, exit and voice in the Free State (CDE In Depth 2, July 2005); Local government in South Africa: priorities for action (CDE Round Table 7, September 2003); Post- apartheid local government reforms: a small town perspective (CDE Focus 8, March 2003); Local government reforms: what's happening and who is in charge? (CDE Round Table 5, November 2000); South Africa's small towns: New strategies for growth and development (CDE Research 2, May 1996); Response to the Green Paper on local government, November 1997; Response to the White Paper on local government, June 1998.

The research underpinning this study was undertaken for CDE by the Centre for Development Support (CDS) of the University of the Free State. A longer and more detailed research report on Phumelela and Khutsong is available from CDE. This summary was produced by a team led by Ann Bernstein, executive director of CDE. Dr Sandy Johnston, a senior CDE associate, acted as project director and lead writer.



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Published in April 2007 by

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Funding for this project was contributed by the Conflict and Governance Facility (CAGE).

