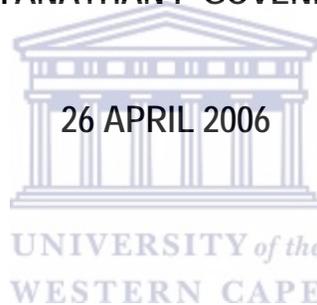


CITIZEN PARTICIPATION IN THE BUDGET PROCESS IN LOCAL GOVERNMENT: A CASE STUDY OF THE eTHEKWINI MUNICIPALITY

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Submitted in part fulfillment for the Master of Public Administration degree in the School of
Government, University of the Western Cape, South Africa

DEDICATION

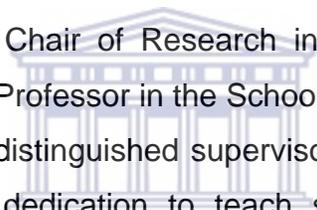
This study is dedicated to the communities, activists and leadership of the civics and ratepayer organisations of the eThekweni Municipality whose struggles over the years forged the ideals of citizens' participation in public spaces.



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Professor John J Williams, Chair of Research in the Faculty of Economic & Management Sciences, and Professor in the School of Government, University of the Western Cape, was the distinguished supervisor of this study and motivated its completion through his dedication to teach scholarship and unequivocal patience for the student.



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CERTIFICATION

This serves to certify that this study is the original work of the researcher carried out under the supervision of Professor John J Williams of the School of Government, University of the Western Cape and has not been submitted for examination at another institution.

JP Govender

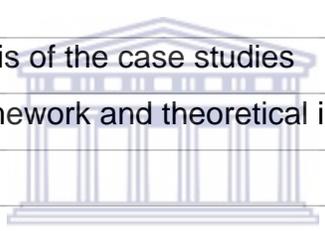
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ABSTRACT

Local governance has to play a leading role in the democratic system that emerged in South Africa after 1994. The new policy framework is a systematic and complex manifesto to realize local participatory governance. Participatory governance aims to achieve the political goal of democratic citizenship; the economic goal of growth; and the social goal of integrating divided communities.

The Constitution of the Republic of South Africa (RSA: 1996), followed by several pieces of legislation provides for the institutional involvement of the community and community organisations in local government matters, as well as for consultation with communities through methods such as consultative meetings and public hearings.

However, while the policy framework is well embedded within a nationally defined policy structure, its execution at the local level is very much the function of separate, independent local government spheres spread across rural areas, district councils and metropolises. There are 243 distinct local government areas, characterized by uneven development and capabilities. Each local government area is commanded to deliver basic services and promote economic growth towards a national development and reconstruction *project*. Participatory governance is offered as the *instrument* to shape the dynamics of all local government areas. The decision-making process in local planning and budget allocation is the *pulse* of local processes based on new relations with the diversity of civil society – civics, labour, business and other locally constituted groups.

The focus of this study is limited to participatory governance in the form of involvement of communities and community organisations in matters of local government in general, and citizens' participation in the local budget process in particular.

The study therefore aims to:

1. assess the theoretical and policy framework for citizens' participation in South Africa; and
2. evaluate the perceptions of councillors and civics and ratepayer organisations on participation in the local budget process at the eThekweni Municipality.

The study introduces the theoretical and conceptual framework of citizens' participation through the literature review; followed by a comparative analysis of three case studies; and finally focuses on the empirical study of citizens' participation in the local budget process of the eThekweni Municipality.

The study makes the following findings:

1. The literature and case studies concur that South Africa has one of the most progressive constitutions in the world and combined with a sound policy framework demonstrates serious political will for democratic citizenship and social commitment for peoples' development;
2. Having embraced citizens' participation, the main question is whether it is the panacea for good governance or whether, like other developing countries, South Africa has actually succumbed to the forces of neo-liberalism?; and
3. The study showed a growing belief that electoral politics and representative democracy have become passive, making way for more inclusive and deliberative forms of engagement between citizen and state.

The study therefore makes two recommendations:

a comprehensive capacity-building programme citizens' participation be developed for councillors, officials and other stakeholders of the eThekweni Municipality; and

a further study be undertaken to investigate the politics of representative and deliberative democracy leading to an appropriate participative model for the eThekweni Municipal Area.



LIST OF ABBREVIATIONS

ANC	African National Congress
ATICC	AIDS Training, Information and Counselling Centre
CBD	Central Business District
CBO(s)	Community Based Organisation(s)
CNA	Community Needs Assessment
CODESA	Convention for a Democratic South Africa
DA	Democratic Alliance
DHAC	Durban Housing Action Committee
DPLG	Department of Provincial and Local Government
DMA	Durban Metropolitan Area
DMR	Durban Metropolitan Region
EMA	eThekweni Municipal Area
DPSA	Department of Public Service and Administration
EXCO	Executive Committee
GDP	Gross Domestic Product
HIPC	Highly Indebted Poor Countries
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IDASA	Institute for a Democratic Alternative in South Africa
IDP	Integrated Development Plan
IDS	Institute for Development Studies (Sussex University)
IFP	Inkhata Freedom Party
IMF	International Monetary Fund
IAPP	International Association for Public Participation
JORAC	Joint Rent Action Committee
LTDF	Long Term Development Framework
LTSF	Long Term Strategic Framework
MFMA	Municipal Finance Management Act (2003)
MTEF	Medium Term Expenditure Framework
NEDLAC	National Economic Development and Labour Council

NMMM	Nelson Mandela Metropolitan Municipality
NEPAD	New Economic Programme for Africa's Development
NERF	New Economic Reporting Format
NGO(s)	Non Governmental Organisation(s)
PFMA	Public Finance Management Act
PRA	Participatory Rural Appraisal
PRSP	Poverty Reduction Strategy Papers
PT	Partido dos Trabalhadores (Workers Party)
RDP	Reconstruction and Development Programme
RSA	Republic of South Africa
SCOA	Standard Chart of Accounts
SDF	Strategic Development Framework
SMT	Strategic Management Team
TB	Tuberculosis
UK	United Kingdom
UNDP	United Nations Development Programme
UN Habitat	United Nations Human Settlement Programme
USAID	United States Agency for International Development
WTO	World Trade Organisation



CHAPTER 1

OVERVIEW, STRUCTURE AND METHODOLOGY

1.1 Introduction

The study is a monograph on citizens' participation in the sphere of local government in South Africa. Since 1994, the democratic process was dominated by electoral and representative politics. Currently, the focus has shifted to deliberative democracy and the politics of citizens' participation.

Citizen participation in governance has come to be accepted as an expression of citizens' rights and the manifestation of citizen agency (Mahmud, 2004: 11). In different parts of the world, new democratic experiments are transforming older forms of governance, creating political space for public engagement in governance (Cornwall, 2004: 1). Participation and partnerships with civil society are dominant themes in the gamut of development theories that define themselves as counterpoints to the mainstream (Parnell, et al, 2002: 7).

Citizens' participation can occur at various points of governance including policy making, budget formulation, legislative and planning processes. In South Africa, there is evidence of increasing participation of a variety of interest groups in various processes, as well as the establishment of numerous consultative bodies and other mechanisms for public participation at all levels of the political structure (Houston, 2001: 1). There are a variety of new processes (for example the integrated development planning process at local level) and structures (for example, the National Economic Development and Labour Council (NEDLAC) at national level, which demonstrate the turn towards participatory processes beyond periodic elections. The commitment to participatory processes is also

evident in Constitutional and statutory provisions as well as in new attitudes and practices in local governance in South Africa.

The present model of developmental local government in South Africa is premised on the primacy of linkages between development, service delivery and local citizen participation, defined as the organized effort to increase control over resources and regulative institutions by (*community*) groups and movements, especially those excluded from such control (*in the past*) (Mhone and Edigheji, 2003: 219-220). The White Paper on Local Government pronounces:

“building local democracy is a central role of local government, and municipalities should develop strategies and mechanisms (including, but not limited to, participative planning) to continuously engage with citizens, business and community groups” (RSA, 1998: 33).

This chapter firstly, describes the citizens' participation policy framework from the perspective of the South African Constitution (1996) and other legislative mandates; and secondly, sets out the structure of the overall study, followed by the methodology undertaken in the empirical study. This study is among the early exploratory studies to examine this important theme.

1.1.1 From apartheid to democracy

The Reconstruction and Development Programme (RDP) describes the apartheid regime as unrepresentative, undemocratic and highly oppressive, becoming increasingly highly secretive and militarized, and less and less answerable even to the constituency it claimed to represent (ANC, 1994: 119). During apartheid, South African public budgets were also a secret affair (Krafchik, in Houston, 2001: 83). Without power to change the budget and with limited time to assess the budget, parliamentary approval amounted to a ceremonial rubber stamp (*ibid*).

The structure of governance under apartheid also looked very different from the current scenario. In leaving behind an authoritarian system, the concept of governance has redefined how the apparatus of the state is constituted, how it executes its mandate and its relationship to society in general, and in particular, to constituencies such as the private sector, civil society, non-governmental organisations and community organisations, and how it fulfills those substantive aspects of democracy (Mhone and Edigheji, 2003: 3). Therefore, good governance can be understood to have three aspects: first, the need for rule-based, open, transparent, efficient and accountable government; second, the need for the government to undertake its task in a participatory and consultative manner which lives up to the basic precepts of formal democracy; and, third, that in ensuring the substantive aspects of democracy, that sustainable human development is achieved in the long term (ibid: 3-4).

Accordingly, the RDP reinforces and mandates local authorities to be structured in such a way as to ensure maximum participation of civil society and communities in decision-making and developmental initiatives of local authorities (ANC, 2004: 131).



In order to achieve the undoing of the apartheid experience for the majority of people in South, Mhone and Edigheji (2003: xi) capture the RDP's intentions in the following extracts:

"Millions of ordinary South African struggled...over decades, to improve their lives, to restore peace, and to bring about a more just society.

Only a comprehensive approach to harnessing the resources of our country can reverse the crisis created by apartheid. Only an all-round effort to harness the life experience, skills, energies and aspirations of the people can lay the basis for a new South Africa.

No democracy can survive and flourish if the mass of our people remain in poverty, without land, without tangible prospects for a better life. Attacking poverty and deprivation must therefore be the first priority of a democratic government.

Above all, the people affected must participate in decision-making. Democratization must begin to transform both the state and civil society. Democracy is not confined to periodic elections. It is, rather, an active process enabling everyone to contribute to the reconstruction and development.

We must not perpetuate the separation of our society into a 'first world' and a 'third world' – another way of preserving apartheid. We must not confine growth strategies to the former, while doing patchwork and piecemeal development in the latter, waiting for trickle-down development.”

This study focuses on the participation of citizens and community organisations in the local budget processes as an instrument for local development aligned towards the ideals of the RDP.

1.1.2 The constitution of South Africa

The framers of the new Constitution held a unity of vision for the reconstruction and development of South Africa. The Constitution spells out procedural and administrative justice in order to achieve substantive equality among the population. The Constitution confers basic individual rights and also seeks the fundamental transformation of the way of life of all South Africans. It seeks to heal the past divisions; to establish a society based on democratic values and equality; improve the quality of the life of all citizens; and build a democratic and sovereign state within the world order.

Chapter 7 of the Constitution (RSA, 1996: 81) sets out the developmental agenda that would be made a reality from the local level. The concept of governance has replaced government. Governance implies a particular style of interactive governing. There is a new value system attached to governance that includes effectiveness, sensitivity and capacity to carry out its mandate. There is also an emphasis on transparency, accessibility, information disbursement and an ongoing dialogue with communities (Atkinson and Reitzes, 1998: 3).

In order to achieve equity and the social well-being of all people, the Constitution makes certain requisites. Key among these are the promise of redress of past discrimination where corrective and affirmative action will be taken in such areas as land redistribution and provision of basic services such as water, etc; it encourages all spheres of government to ensure social and economic rights through co-operative governance across the spheres; and it obliges local government to deliver a variety of social and economic initiatives (RSA, 1996: 6-25).

In order to deliver the rights and development initiatives, the Constitution encourages in the objects of local government, the involvement of communities and community organisations in matters of local government (RSA, 1996: 81).

Finally, Chapter 10 of the Constitution (RSA, 1996: 107-111) sets out the basic values and principles governing public administration. The section takes a people-centered approach in the manner the public service interacts with citizens. This section also sets the tone for further legislation in the form of the Batho Pele Principles (DPSA, 1997).

1.1.3 Democratic local government

The transfer of power and autonomy to local government is a new development in South Africa. The new vision of local government encapsulates far more than its previous role as regulator and service provider. The Constitution confers upon local government developmental duties giving priority to the basic needs of the community and to promote social and economic development. Local government has an encompassing role of promoting civic, political, social and economic justice and the institutionalisation of democratic practice. The performance of local government is therefore seen as the genesis for promoting regional and national development.

The Constitution calls for a robust local government system which can provide (RSA, 1996: 81):

- democratic and accountable government for local communities;
- ensure the provision of services to communities in a sustainable manner;
- promote social and economic development;
- promote a safe and healthy living environment; and
- encourage the involvement of communities and community organisations in the matters of local government.

It is very evident that the instrument towards realizing developmental local government is shared decision-making processes with civil society through the notion of citizens' participation. The genesis, meaning and extent of citizens' participation are reviewed below.

1.1.4 Citizens' participation in local government

The notion of a role for civil society in democratic governance at all the different levels of governance was recognized by the African National Congress (ANC) in its policy document, the Reconstruction and Development Programme (RDP), in 1994. The RDP purports that democracy requires that all South Africans have access to power and the right to exercise their power will ensure that all people participate in the process of reconstructing the country (ANC, 1994: 120). The RDP envisages the democratic process as:

Democracy for ordinary citizens must not end with formal rights and periodic one-person, one-vote elections. Without undermining the authority and responsibilities of elected representatives bodies (the national assembly, provincial legislatures, local government), the democratic order we envisage must foster a wide range of institutions of participatory democracy in partnership with civil society on the basis of informed and empowered citizens...and facilitate direct democracy (people's forums, referenda where appropriate, and other consultation processes) (ANC, 1994: 120-1).

The decision-making environment in South Africa has dramatically changed since the 1990s. The unbanning of the ANC in February 1990 ushered in an era of negotiation and social dialogue that was unprecedented in South Africa. The negotiated settlement also brought in a radically different political culture from that which existed previously. From a previously secretive and authoritarian mode of decision-making the trend is towards a more public and accountable decision-making process. Towards this end, participatory and direct democracy has been brought to bear in policy making, budget formulation, legislation and planning (Houston, 2001: 7).

The policy plank for democratic, developmental local government where citizens' participation feature are contained initially in the Constitution of South Africa, and thereafter given content in the White Paper on Local Government (1996); the Municipal Structures Act (1998); the Municipal Systems Act (1998); and the Local Government Municipal Finance Management Act (2003). Collectively the documents provide for both, the institutional involvement of the community and community organisations in local government matters, as well as for consultation with communities through methods such as consultative meetings and public hearings.

1. 2 Structure of the study

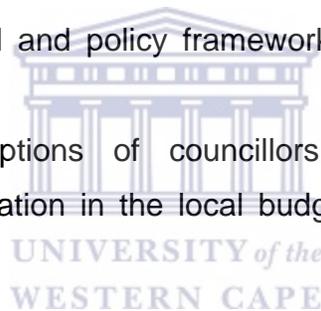
The study is divided into five chapters, viz, Overview, structure and methodology; Local governance and citizens' participation; Citizens' participation in local governance and the budget; analysis of findings and discussion; and Conclusions and recommendations.

The goals, objectives, outcomes and limitations are set out as follows:

1.2.1 Goals of the study

The two broad goals of the study are:

- to assess the theoretical and policy framework for citizens' participation in South Africa; and
- to evaluate the perceptions of councillors and civic and ratepayer organisations on participation in the local budget process at the eThekweni Municipality.



1.2.2 Objectives of the study

The objectives of the study are set out as follows:

- outline the conceptual framework for citizens' participation;
- examine the policy framework for citizens' participation in local governance in South Africa;
- compare international case studies with the eThekweni municipality; and
- draw conclusions and recommendations on citizens' participation in the budget process of the eThekweni Municipality through the empirical case study.

1.2.3 Outcomes of the study

There are three practical outcomes of the study, namely:

- The short-term outcome is to outline the perceptions of two major stakeholders, namely councillors and civics and ratepayer organisations, on citizens' participation in the eThekweni budget process;
- The medium-term outcome is to contribute towards strengthening capacity of councillors and civic and ratepayers organisations in the participative process; and
- The long-term outcome is to suggest a basis towards developing an appropriate citizens' participation model for the eThekweni Municipality.

1.2.4 Limitations of the study

There are three limitations to the empirical study, namely:

- While care was taken in drawing the sample, the civics and ratepayer organisations interviewed may not be representative of both, all civics and ratepayers organisations, and all civil society organisations in the eThekweni municipal area;
- the study will not be able to make generalizations applicable to local government in South Africa in general after only examining citizens' participation in one municipality among 284 across South Africa; and
- the study employs the urban setting of the eThekweni municipality and does cross reference with rural municipalities and district councils.

1.3 Research methodology

1.3.1 Review of relevant literature and the construction of a theoretical framework

A literature review is undertaken in Chapter 2 which serves as a theoretical and empirical base for the conceptualization of this study. The purpose of a literature review in social research is to familiarize the researcher to studies that are similar to the one being undertaken. More specifically it helps to connect the study to the broader discussions continuing on the subject matter, filling in gaps and referring to other studies; and the provision of a benchmark upon which results of the study can be compared with other findings (Creswell, 1994: 21).

In this study, the literature review provides relevant information on the nature, processes and practice of citizen's participation in general, and the budgeting processes at a local government level in particular. The literature links the study of international best practice in citizen participation in budgeting processes by making reference to select case studies in Chapter 3.

Much has been researched and written on participatory forms of governance outside of South Africa resulting in the prevalence of well-founded theoretical critiques on such experiences. In the case of South Africa scholarly discourse on forms of participatory governance is only beginning to take root. Therefore, a very scant collection of research literature exists on this subject matter. This in itself has the added benefit of stimulating further research.

A study of this nature has not been conducted in the country. Hence the exploratory nature of the study has potential to advance new theory, interpreting the significance of the phenomena within its social and political context within the country and more importantly, giving voice to the importance of upholding the

principles of participatory forms of budgeting public policy of practitioners and policy makers.

1.3.2 Consultation with authoritative sources of information

The lack of local information on the subject matter necessitated at the early stages of the study contact with authoritative sources in the field. In this respect, several informal interviews were undertaken with authoritative informants. These interviews were open-ended, flexible and not based on any specific pre-formulated assumptions about the study. Rubin and Babbie (1997: 387-389) attest that this methodological approach is an important research tool for exploratory studies of this nature.

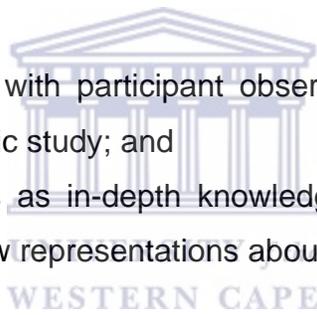
The review of various policy documents from the different state departments served as an important base to test out conceptual issues with experts in the field. It helped to provide an operational definition of key concepts both in the literature and in the construction of the measuring instrument. A note was made of the strengths and limitations in the application of the principles of participatory budgeting processes which provided a concrete guide to the construction of the literature study and the measuring instrument. Berg (1998: 25) attests that operational definitions concretize the intended meaning of a concept in relation to a particular study and provide some criteria for measuring the empirical existence of the concept. In this way agreement is reached on what the different concepts mean and how these relate to each other and how they are applied in practice.

1.3.3 Method of data collection

This study was of an exploratory nature. It used a combination of qualitative and quantitative forms of data collection methods in the form of unstructured and structured interview schedules.

Several unstructured interviews were undertaken with experts on the subject matter. Discussions were held with councillors, civic leaders, NGOs, public policy makers, academics and researchers in the metropolitan area of Durban to gain first hand information on various aspects of participatory forms of budgeting. Senior officials of the eThekweni municipality did not respond despite attempts to secure appointments by the researcher.

The background information gathered informed the construction of the structured interview schedule. Creswell (1994: 21) provides an appropriate justification for the use of qualitative research approaches in studies that are exploratory in nature. It is most appropriate in instances in which not much has been written about the subject under investigation. Ragin (1994: 91-93) provides a further understanding of the use of qualitative methods of data collection:

- 
- they are often identified with participant observation, in-depth interviewing, fieldwork and ethnographic study; and
 - they are data enhancers as in-depth knowledge is yielded, correcting any misrepresentations or new representations about the subjects in the study.

In this study, the structured interview schedule contained a range of qualitative responses, which have been grouped into thematic categories and analysed statistically for their implications and impact.

1.3.4 Measuring technique

The interview schedule was chosen as a measurement tool to gather data. According to Babbie (1998: 264) in order to capture the insider's perspective, the most appropriate interviewing strategy is that which is less formally structured and flexible enough in keeping with the interests of the respondents. Like other measuring devices, the interview schedule has both advantages and disadvantages.

Bailey (1996: 174) states that an interview is more flexible, probes for specific responses resulting in increased response rates. Persons who cannot read or write are able to respond adequately in an interview situation. In addition, the interviewer is present to observe non-verbal behavior and to assess the validity of the respondent's answers, there is a better control over the environment such as noise and privacy, the question order can be maintained, the responses are spontaneous, the respondents alone can answer questions and it ensures that all questions are answered. More importantly, Bailey (ibid.) asserts that complex questions can be probed in an interview situation by a skilled, experienced and well-trained interviewer.

However, Gochros (1988: 269-273) and Bailey (1996: 175) identify certain weaknesses with the interview technique. They hold the view that by standardizing interview schedules, it often represents the least common denominator in assessing people's attitudes, orientations, circumstances and experiences. By designing questions that will be at least minimally appropriate to all respondents, one may miss out on what is most appropriate to some respondents.

Further, it is often contended that the interview offers a lesser assurance of anonymity. This is known to pose an element of potential threat to respondents, particularly should the information sought is incriminating, embarrassing or otherwise sensitive in nature (Bailey, 1996: 175). The assurance of maintaining strict confidentiality circumvented the problem this might have imposed on the study. Despite some of the known disadvantages of the interview as a data collection method, it is a popularly used measurement instrument in most social sciences.

1.3.5 Structure of the interview schedule

Two sets of interview schedules were prepared. The first aimed to target civic and ratepayers organizations whilst the second targeted political leaders in the constituencies. Both interview schedules comprised four broad categories of research questions with a mixture of open and closed ended questions. The content of each category of research questions were almost identical for both the group of respondents with the exception of a few variations. These are tabulated below which highlights similarities and differences in the construction of the interview schedules.

Table 1.1 Councillor and Civic Interview Schedule

Councillor interview schedule	Civic interview schedule
Section 1: General Information	Section 1: General Information
Section 2: Political party policy on Citizens participation	Section 2: Organisations policy on citizens participation
Section 3: Role of councillors, ward committees and political party in citizen participation	Section 3: Past representation to the eThekwini municipality *
Section 4: Citizens participation in Planning the local budget.	Section 4: Citizens participation in planning the local budget.

*The only difference in the structure of questions for the two interview schedules is contained in Section 3 of both the interview schedules. In this section the role of councillors, ward committees and political parties in citizen participation is tested out in the councillor interview schedule, whereas previous representation to the eThekwini municipality is tested out in the civic interview schedule. The section on past representation to the municipality aims to test the frequency of

contact that civics have had on budgeting and other issues at the different levels of local government. In essence, although these sections are phrased differently, they reflect on the crucial aspect of modes of participation and intend to give a holistic picture.

1.3.6 Sampling

Both probability and non-probability sampling methods were used in the study. The civic organisations were chosen through the probability sampling method. A twenty percent sample comprising twenty four civic organizations were randomly selected from a population of 120 organizations from a database of listed civics in the municipality. The database represented organizations located in the central business district, suburban and the peri-urban areas of the eThekweni municipality.

Since not all civics and ratepayers organisations were represented on the database from all three sub-areas it was not possible to subject the study population to a stratified random selection process. Although probability-sampling techniques are known to ensure that each sampling unit is included in the sample in a single draw from the population (Nachmias and Nachmias, 1987: 187), there is no guarantee of this. In this instance, not all civics from the historically disadvantaged peri-urban areas appeared on the database, showing full representivity. This is largely due to the fact with the expansion of the city boundaries in 1996, former African townships and informal settlement areas were incorporated within the new municipality, and in many of these areas civic movements collapsed or ceased to exist due to the internecine political violence of the 1980s and early 1990s between the ANC and IFP groupings. Although, the database of civic organizations is limited, it remained the only reliable source to identify research subjects. In the final study only 20 civic organizations participated while the remaining four could not be contacted.

The selection of councillors as respondents in the study corresponded to each civic locality. For each civic locality a councillor was chosen. A total of twenty four councillors were selected to participate in the study of which twenty were interviewed.

1.3.7 The choice of study locality

The locality of the study is the eThekweni Metropolitan Area (EMA) in the Province of Kwa-Zulu Natal. The EMA is an urbanized area comprising informal settlements and townships on the periphery. In 1996 the municipality's boundaries were extended by 68% to include former previously marginalized communities (eThekweni Municipality, 2005). Although the EMA covers only 1.4% of the province's total land area, it is home to a third of its population and 60% of its economic activity (Moodley, 2004: 1).

There were two reasons for choosing the eThekweni municipality as the locality of the study. Firstly, since the 2000 local government elections, the municipality has engaged in developing its Long Term Strategic Framework which overshadow its Integrated Development Plan and three year budget framework (see Durban Unicity, 2002 and eThekweni Municipality, 2004). These documents have been favourably endorsed by the UN Habitat, the NEPAD Office, SA Cities' Network, South Africa's Department of Provincial and Local Government (DPLG) and the Provincial Department of Traditional and Local Government Affairs in KwaZulu-Natal (Moodley, 2004: 2).

Secondly, the previous City of Durban and the current EMA has had a long and vibrant civil society presence. Civics and ratepayer organisations have long been engaged in protest actions and collective consumption issues since the 1980's (Maharaj, 2002: 180). They continue to play a significant stakeholder role in the current activities of the municipality as this study shows.

1.3.8 Steps followed in interviewing respondents

The study necessitated careful planning of interviews with respondents. Considering the fact that councillors are often busy individuals and the civic leaders are only available after hours, much effort had to be placed on adequate fieldwork planning. Respondents were initially contacted by telephone and informed of the nature and scope of the study followed by requesting a suitable appointment for an interview. Some respondents were reluctant to commit to face to face interviews, preferring telephonic interviews. The researcher had to ensure that the venue was conducive to interviews. This necessitated the researcher contacting each respondent before the interview with a view to gaining clarity on whether they will be comfortable with an interview at a preferred venue. In eight of the forty interviews with councillors and civics that were arranged, the venue was not suitable to undertake a formal interview and the researcher had to reschedule these either at civic offices or at the council chamber at the local government offices.



1.4 Summary

The preceding background of the study briefly traced the transition from apartheid to the new democratic arrangements in South Africa with particular reference to local government being at the forefront for social and economic development. As an independent sphere local government is tasked with functioning co-operatively with national and provincial governments; and in embracing a developmental character must deliver local services and alleviate poverty. New legislation has mandated local government to consult with community and community organisations on local matters.

The new Constitution of South Africa has been shown as a visionary document calling for a breakaway from the past and establishing a new democratic state

that is integrated in the world order. The Constitution initiates the development of policy and legislation for the achievement of its goals. The key ideas include effective and efficient government as well as economy in service delivery. Citizens' participation in the form of consultation has been established in the recent legislation governing local government.

The chapter also explained the research methodology adopted in the study. The study is guided by the basic principles of scientific research. Precaution was taken to ensure that where inherent limitations are apparent, that the best alternatives are chosen so that the concepts under study were conceived in its scientific abstractness, logic and rationality. Attempts have been made to ensure that there is little room for misinterpretation and misjudgment in the final findings and conclusion of the study.



CHAPTER 2

EMERGENCE OF LOCAL GOVERNANCE AND CITIZENS' PARTICIPATION IN SOUTH AFRICA

2.1 Introduction

Chapter 2 is dedicated to three interrelated issues, namely, an understanding of the concept of governance, the theoretical perspective on local government and the conceptual framework of citizens' participation. The chapter relied heavily on international literature for all three issues. Local literature instead focused on policy and implementation of citizens' participation at the local level. These issues are addressed in Chapter 3.

The sub-section on what is governance, intends to show the shift away from the concept of government to governance. The concept of governance gained prominence in South Africa during the anti-apartheid struggles posing as an alternative for the disenfranchised population. The sub-section on the theoretical perspective on local government raises the differing theoretical approaches on local government. The final sub-section on the conceptual framework of citizens' participation is viewed from differing sources, firstly, from the perspective of classical theory demonstrating the influence of early liberalism; secondly, from the perspective of feminist theory in order to reveal uneven development levels between the sexes together with the associated problem of analysis; thirdly, from new developments in development discourse (which include a number of specific sub-topics); and fourthly, from the inputs of the World Bank and the IMF.

In all of the above sources, there appears to be a general acceptance of the concept of citizens' participation with a different emphasis in implementation at the local level.

2.2 What is governance?

The concept ***governance*** has been used in both political and academic discourses in the past. According to Hyden (1992: 5) governance gained particular significance in African development literature in the late 1980s as a result of increasing crisis in the continent. The World Bank during this period identified the crisis in the continent as one of governance (Narayan, et. al, 2000: 172). The crisis in governance was as a result of extensive personalization of power, the denial of fundamental human rights, widespread corruption and the prevalence of un-elected and unaccountable government (ibid).

The concept ***governance*** may be found in different disciplines, such as institutional economics, international relations, organizational studies, political science, development studies and public administration (Stoker, 1998: 34). Each one of these disciplines uses the concept within their specific conceptual boundaries.

The traditional use of the concept ***governance*** defines it as a synonym for government. However, Stoker (1998: 34) asserts that ***governance*** signifies a change in the meaning of government: “a new process of governing; or a changed condition of ordered rule; or the new method by which society is governed” ...in contrast to: “the formal institutional structure and location of authoritative decision making in the modern state”. For Stoker (1998:34-35) the concept ***governance*** is wider in meaning for the following reasons:

- directs attention to the distribution of power both internal and external to the state;
- focuses on the interdependence of governmental and non-governmental forces in meeting economic and social challenges; and
- concerns itself on how collective action is met and the issues and tensions associated with this shift in the pattern of governing.

In essence the concept **governance** emphasizes the emerging system of self-governing networks with civil society instead of old forms of managerial control which are bureaucratic, top down and centralized (ibid). Governance symbolizes democracy, enabling the participation of people in decision making and the fragmentation of power to the lowest level of government i.e. at the local government level (Pratchett and Wilson, 1996: 1-4; Hyden, 1992: 5-7).

Since the beginning of the 2000, the World Bank placed an emphasis on the economic role of local governance. In their view, the World Bank (1999/2000: 14-21) envisaged local governments to be responsible for local economic development, infrastructure development, and control over land use. Local governments would be expected to market themselves for investment and provide appropriate incentives. Financing of local projects would include public-private partnerships, appropriations from a municipal development funds and municipal bonds.

In the publication 'Cities in Transition', the World Bank (2000: 43-52) viewed local governments (cities and towns) as the frontline for development. Urbanisation was seen as an opportunity to improve the lives of people. Cities are also gaining more influence as a result of decentralisation and more power sharing. Essentially, local government remains the everyday face of the public sector - the sphere of government where essential public services are delivered to households and businesses, and where policy meets the people (ibid.). This can be achieved in the following ways (World Bank, 2000: 63-67):

- Livability - the poor must be allowed to share public resources. A decent quality of life must therefore be provided through education, employment, and safety nets. The informal sector must also be assisted.
- Competitiveness - livable cities must create opportunities for growth in employment, incomes and investment. The city must foster productive and competitive businesses of all sizes.

- Good governance and management - livability and competitiveness can be achieved through good governance and management. Good governance means inclusiveness, accountability, integrity and transparency.
- Bankability - implies financial soundness in the treatment of revenues and expenditures in order to gain credit worthiness to permit access to the market.

This model of local governance is being proposed for developing countries as “**world-class**” so as to facilitate the demands of globalisation. Essentially local governance areas or cities must become great repositories for international economic and financial transactions (World Bank, 2000: 64). These localities are also potentially wealth generating areas for the private sector through intended privatization, infrastructural development and basic service provision. Note the earlier concern of the World Bank for the African governance crisis compared to the current concern for “world-class standards” (ibid).

The term **governance** in South Africa gained considerable prominence during the anti-apartheid struggles and subsequently became a political slogan for the liberation of the country from the repressive apartheid regime. It was a term commonly used by anti-apartheid activists and its written use may be traced to the Freedom Charter of the then banned African National Congress (ANC). The Freedom Charter constantly made reference to the statement “**the people shall govern**”. In this context, the concept **governance** was used as an alternative form of government connoting democracy and political rights. In order to discredit the racially-based, undemocratic system of local government, civics and grassroots organizations called upon the disenfranchised population to make them ungovernable through non-cooperation and boycotts of administrative fees. The militant civic and grassroots actions against the local government structures eventually led to their collapse in the 1980s.

2.3 Theoretical perspectives on local government

The increasing debate on local government has made possible a number of theoretical perspectives of which five are of contemporary significance. The intention is to briefly present the different perspectives from which local government is perceived within the academic literature.

2.3.1 Localist approach

According to Roberts (1997: 1015), this approach favours political pluralism and decentralisation. It emphasizes local control, self determination and horizontal competition amongst local governments for the delivery of goods and services. Its basic position is that local government exists to provide services to the local community, including those identified by the national government. The localist approach encourages participation, promotion of grassroots democracy, and fosters national unity. In view of the emphasis on localness, it facilitates accessibility, responsiveness and political accountability (ibid).

Pluralists argue that despite the diversity of interest groups within urban settings and varying degrees of influence, there is great potential for all groups to exert influence on decision makers through some form of compromise. In so far as political elites are concerned, they emanate as elected officials of a group accountable to their respective electorate. Within the pluralist approach elites emerge only as representative of their groups (Engel, 1999: 98-99).

2.3.2 Public choice theory

This theory views local government as an industry where there are buyers and sellers in the market for local services. In this context the buyers are local households and businesses who locate in particular areas and pay for services through local taxes. The sellers are politicians and bureaucrats who either

procure or provide direct services to the public (Boyne, 1998: 15-16). However, the way in which local governments procure or provide services is based on the demands made by the market. For example, if a residential area is made up of a majority in the middle and upper income bracket they may demand for services which residents in the lower income bracket cannot afford (ibid.). One major problem identified with the theory of public choice pertains to the issue of sustainability as result of market failure (ibid.). Market failure results because of non-payment for services by some residents due to various socio-political and economic reasons. They are often referred to as free-riders.

The other option is for those who cannot afford to pay for services within a particular locality to relocate into an area within their affordable means. This according to the public choice theorists creates a free market as local citizens are provided with a choice within a variety of localities in keeping with their level of income affordability. It is therefore argued that the public choice theory creates competition among local governments, with differing types and extent of services in keeping with prevailing consumer demands (Engel, 1999: 68).

Within the public choice theory, privatization of public goods and services is not an uncommon practice. Privatization is best justified on the fact that some goods and services are better provided for by public institutions whilst others by private ones. Competitive tendering, it is believed, is an affirmable business practice that meets the development needs of an area (Roberts, 1997: 18).

2.3.3 Conflict theory

According to Engel (1999: 6-7) conflict theorists reject the assumption of long term social stability as an illusion. They claim that societies are under constant change through radical processes over basic values within the political arena. Central to their claim is that every society is split in various ways between those people who possess wealth and power and those who do not. Their arguments

are based on the traditional Marxist belief that human conflict emanates between the *have* and the *have nots* over the distribution of resources. These conflicts are built into the social structure and can only be reconciled through the victory of one group over the other (ibid.).

For conflict theorists, local government is a key part of the state in capitalist societies. It serves as a relatively autonomous instrument of class domination on behalf of the whole capitalist state and shares the primary role of reproducing the conditions within which capitalist accumulation can take place. It is within this reproductive role that local government fulfills their conventional task in the provision of services such as housing, education, health and social services. Conflict theorists argue that these are the necessary conditions for the reproduction of the labour force (Roberts, 1997: 20-25).

2.3.4 Elitist theory

The central idea in this theory is that business interests predominate and exert the greatest influence at local government level. Although citizens and non-business interests may influence decisions to some extent, they have minimum success in terms of big decisions such as taxes, education, welfare and economic development. Rather business dominates civic affairs and it uses local government structures as machinery for the attainment of its business goals (Engel, 1999: 99-100). The dominant presence of business elites in local politics is likely to limit community organizations and other middle or working class groups from promoting their political agendas. This in the long term is likely to cause conflict of interest as the unaccountable elite are likely to have too much scope for either tyranny or corruption (Phillips, 1996: 20).

2.3.5 Consensus Theory

According to Engel (1999: 6) consensus theory maintains that a workable, stable society is based on a set of social, economic and political values shared by most of its members. If the government and societal institutions are doing their jobs properly then most of the basic needs of people will be met and social stability will be realized. Consensus theory sees the government taking a role in the promotion of public policies based on a compromise among groups with competing demands (ibid).

This brief exposition on the theories of local government provides an important basis for the understanding of governance at a local sphere. These theoretical assumptions about local government will help to appraise the case of South Africa both past and present.



2.4 Theoretical perspectives of citizens' participation

The notion of citizens' participation can be traced to four main sources:

- classical democratic theory, notably in the work of Rousseau (Pateman, 1970; Held, 1993);
- feminist theory (Young, 1990; Phillips, 1991; Mouffe, 1993);
- development discourse (Fung and Wright, 2003; Institute of Development Studies, 2004; Gaventa, 2002); and
- the World Bank and the International Monetary Fund (McGee, 2000; World Bank 1999; IMF, 2004).

2.4.1 Participation in classical theory

Rousseau's theory of participation, found in "The Social Contract", hinges on the individual participation of each citizen in political decision making (Pateman, 1970: 22). Although Rousseau was writing before the modern institutions of democracy were developed, he imagined an ideal institutional arrangement to be a participatory political system.

Rousseau thought that the ideal situation for decision making was one where no organised groups were present, just individuals, with the emphasis on equal and independent individuals. This ensured the equal distribution of political power when participating in institutions. The motive behind Rousseau's thinking was two fold: firstly, participation of individuals meant making decisions, and second this was the best way to ensure good government and to protect private interests. His ideal system was intended to develop responsible, individual social and political action through the effect of the participatory process (op cit: 24). Rousseau also had two other concerns in mind: that of individual freedom - '**being one's own master**'; and community where the individual was integrated in a community.

Following from Rousseau, John Stuart Mill developed his ideas around representative government and participatory democracy. Mill's theory is contained in the work "Representative Government", wherein he claims that the ideal form of government which can satisfy all the exigencies of the social state, was one in which the whole people participate, and that participation even in the smallest form was useful (Thompson, 1976: 13).

Mill (ibid.) was concerned with two main ideas of good government: that is how it promotes the good management of the affairs of society, and how good government can come to bear on the moral, intellectual and actions of individuals. So the business of government was to promote the advancement of the general community in terms of both, their intellect and virtues and in practical actions to achieve efficiency.

In a more recent development within the liberal democratic tradition, emerged the theory of "**deliberative democracy**". Dryzek (2000: 8-30) speaks of the theory of democracy taking a strong deliberative turn. Miller (1993: 74-92) contrasts the **liberal** and **deliberative** forms of democracy. In the liberal view, the aim of democracy is to aggregate individual preferences into a collective choice in a fair and efficient manner (op cit: 75). As there are many views in a democracy, the political institutions must be able to reflect the different beliefs and interests present in society. The problem is to find the institutional structure that best meets the requirements of efficiency and equality. In doing so liberal democracy must choose between the options of majoritarian decision-making or a pluralist system where different groups in society are allocated different amounts of influence over decisions in terms of their interests. The debate continues whether this is a fair and efficient compromise given the conflicting preferences that are expressed in the community at any one time.

The deliberative democratic view is very conscious that political preferences will conflict and that the purpose of democratic institutions must be to resolve these conflicts. However, it envisages this occurring through an open and uncoerced discussion of the issues at stake with the aim of arriving at an agreement (op cit: 75). Essentially the process of reaching a decision requires transforming the initial preferences when taking into account the views of others. This means that each participant must follow a set of principles that others accept prior to forwarding proposals.

A discussion of the liberal democratic tradition will not be adequate without reference to **associational democracy** and **direct democracy**. One reason that the two tendencies do not receive much attention is that they are generally considered to be ineffective and impractical.

Hirst (1993: 112-135) traces associationalism to the 19th century as a critique of the competitive market society and centralized state power that protected private enterprise. Essentially, associationalism advocated a social process that promoted social welfare without compromising individualistic values and activist civil society. The state was seen as taking responsibility as a service provider. This view clashed with other approaches such as **representative democracy** which emphasized the role of oversight rather than service provider.

Direct democracy is characterized as a regime in which the population as a whole votes on all the most important political decisions (Budge, 1993: 136-155). Such a procedure can be compared to **representative democracies** where parliament consisting of the representatives of society votes on all political decisions. **Direct democracy** obviates the need for an executive and could result in inconsistent policy-making. There is also the general suspicion that citizens voting *en mass* are not adequately qualified to decide on complex policy issues.

2.4.2 Participation in feminist theory

The idea of citizens' participation must include gender perspectives from local communities, particularly women in urban and rural environments. There is a compelling case to acknowledge and include knowledge, lessons and experiences of women's lives, habits, power relations, culture and ways of thinking, into the planning and participatory processes.

The South African government has consciously moved on gender representativity in most spheres of the polity, including national and provincial parliaments as well as local government; public enterprises and entities; and in the justice system. Women increasingly are more evident in public life currently.

In order to establish feminist theory into the participatory discourse, the theoretical postulations of three authors are briefly discussed.

In Young's (1990: 121-129) theory of group democracy, liberalism is rejected on the grounds that it privileges the pursuit of private life and so results in the depoliticization of public life. She joins civic humanists, who drawing from Rousseau, call for a revitalized public sphere: freedom lies in participation in genuine public discussion and in collective decision-making (op cit: 116). However, she criticizes civic humanism and liberalism for their masculine character. For a truly universal citizenship to be realised, Young believes that there must be mechanisms for representation of groups with differing experiences and perspectives in the political process. The ideal is the participation of groups of citizens in the public sphere who speak from their specific experience and interests as well as having rights to propose policies on the basis of those interests and to veto others that might affect them adversely (op cit: 121-129). Groups of citizens are identified according to set criteria including, disadvantage in terms of exploitation, marginalization, powerlessness, cultural domination and/or the experience of racism.

Phillip's theory of representative democracy also rejects the idea of liberal individualism as masculinist (Phillips, 1994: 2-4). Liberal individualism maintains that all individuals are essentially identical and that any difference between them is irrelevant. According to this view, political representation would adequately reflect all groups in contemporary society. For this reason Phillips favours quotas as a way of equalizing participation in representative democracy. Rather than being a way of representing women *per se*, the composition of society is more adequately reflected. Phillips therefore proposes a system of quotas, for example, in selection of party candidates for election. The main aim of Phillips is to show that while liberalism maintains the equality of all citizens, skewed gender representation does exist in a democracy.

Mouffe (1994: 4-6) proposes a theory of radical democracy. Her concern involves the contestation of relations of inequality and subordination using the principles of freedom and equality that were originally confined to the public sphere but which have now been extended by social movements into all areas of life. She also criticizes liberalism for postulating a homogenous citizenship based on masculine lines which have relegated all differences to the margins. Women and minorities experience the most detriment in this arrangement (ibid).

Unlike the theories of Young and Phillips above, Mouffe believes in the maximum achievable degree of liberty and equality for all; the aspiration towards complete freedom and equality. Mouffe believes that in contemporary liberal democracy, it is the universal principles of liberty and equality that provide the '*grammar*' of citizenship. These principles are extended in radical democracy. According to this belief, democracy takes on a universal dimension but allows for differences. All democratic citizens identify with the principles of equality and liberty, but use them in different ways. In other words, Mouffe does not ascribe to the feminist view that citizenship must be engendered.

In practical terms, while not denying the differences of the sexes, Mouffe explicitly separates this from political citizenship, where she states, sexual difference should not be a valid distinction (op cit: 6).

In each of the three theorists, the attempt was to look beyond liberalism, and in particular beyond the idea of universalism of liberal individualism. The idea of feminist theory then was to develop a genuine universalism that is inclusive of all citizens of a democracy. Feminist theory does present problems for analysis: how to account for group identities, essentialising differences, and uneven development. This is however not the competency of this study.

2.4.3 Participation in development discourse

Participation featured in development discourse since the 1980's and has currently come to take on varied meanings. This sub-section addresses the changing views and the influencing factors on participation over time. Certain ideal societal formations are also proposed by different authors.

2.4.3.1 The need for greater citizen participation

The literature (IDS, 2000; IDS Bulletin, 2004; Gaventa, 2002; Gaventa, 2004) refers to the use of 'participation' in the discourse of development over the past twenty years. Mostly, the concept refers to participation in the social arena, in community or in development projects (Gaventa: 2002). More recently, the concept of participation is being related to rights of citizenship and to democratic governance. There is a distinction however, between citizens' participation in development discourse, on the one hand, and governance, on the other hand.

Gaventa is one of the leading proponents of citizens' participation in governance. In a conference paper (Gaventa, 2001: 1-10) the author examines six

propositions for the strengthening citizens' participation in local governance which are relevant to this study.

Proposition one: Relating people and institutions

The key challenge of the 21st Century is the construction of new relationships between ordinary people and the institutions – especially those of government – which affect their lives (Gaventa, 2001: 1-10).

The World Development Report 2000/1, Voices of the Poor study illustrates the point that there is a growing gap between the poor and the institutions of government. Many poor people perceive the institutions of the state to be distant, unaccountable and corrupt. The study, conducted in 23 countries makes the following conclusion:

“From the perspective of the poor people world wide, there is a crisis in governance. While the range of institutions that play important roles in poor people's lives is vast, poor people are excluded from participation in governance. State institutions, whether represented by central ministries or local government are often neither responsive nor accountable to the poor; rather the report details the arrogance and disdain with which poor people are treated. Poor people see little recourse to injustice, criminality, abuse and corruption by institutions. Not surprisingly, poor men and women lack confidence in the state institutions even though they still express their willingness to partner with them under fairer rules.” (Narayan, et. al, 2000: 172)

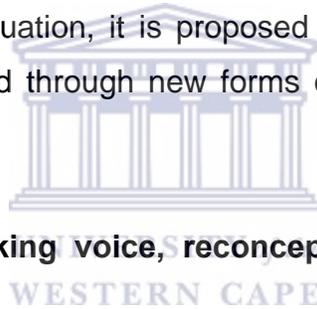
Gaventa (2001) refers to two other major studies, one by the Common Wealth Foundation (1999) and another by the Joseph Rowntree Foundation (1998) in the UK, which make similar conclusions about the growing crisis in the relationship between citizens and their institutions of state.

Proposition two: Working on both sides of the equation

Rebuilding relationships between citizens and their local governments means working both sides of the equation – that is, going beyond ‘civil society’ or ‘state-based’ approaches, to focus on their intersection, through new forms of participation, responsiveness and accountability (Gaventa, 2001: 1-10).

Gaventa (2001) and Fund and Wright (2001: 4) argue that there has been a decline in state institutions through deregulation, privatisation and reduction in social services. It is argued that responding to this crisis means deepening democracy and seeking new forms for its expression. The institutions of state must be made more responsive and accountable.

On the other side of the equation, it is proposed that the processes of citizen participation be strengthened through new forms of inclusion, consultation and mobilization.



Proposition three: Rethinking voice, reconceptualising participation and citizenship

The call for new forms of engagement between citizens and the state involves a fundamental rethinking about the ways in which citizens’ voices are articulated and represented in the political process, and a reconceptualisation of the meanings of participation and citizenship in relationship to local governance (Gaventa, 2001: 1-10).

There is a growing belief that electoral politics and representative democracy has become passive. There is a need for more inclusive and deliberative forms of engagement between citizen and state. Additionally, the idea is to empower local citizens rather than remain passive receivers of services.

A number of examples of innovation practices is evident in India, Brazil, Philippines, Bolivia, Romania, South Africa and Moldova: (Lingayah and MacGillivray, 1999; Gret and Sintomer, 2005; Beall, 2005; Cornwall and Pratt, 2003; Toolkit Participation, 2005; McGee, R, et al, 2003).

Proposition four: Learning about the outcomes as we go along

While search for new democratic processes of local governance is critical, far more needs to be learnt about how they work, for whom, and with what social justice outcomes. In general, while there is some evidence of positive 'democracy' building outcomes, there is less evidence about the pro-poor development outcomes of participatory governance (Gaventa, 2001: 1-10).

The pessimistic perception around participation is that it simply opens up a space for local elites rather than reaching the poor and the marginalised. On the other hand as indicated by the works cited above, there are good examples of citizens' participation in places such as Kerala, Porto Alegre, even in South Africa with particular reference to the Treatment Action Campaign (Cornwall, 2004: 1-3).

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Proposition five: Building conditions for success

The enabling conditions for the better known 'successful' experiments in participatory governance are limited to a few countries. Effective intervention strategies in most cases therefore must begin with how to create the prerequisite conditions necessary for participatory governance to succeed (Gaventa, 2001: 1-10).

Citing Heller (2001), Gaventa (2001: 3) underscores the enabling conditions for participatory governance in India and Brazil appears to be the following:

- Strong central state capacity;

- A well developed civil society; and
- An organized political force, such as a party, with strong socialistic movement characteristics.

The foregoing has enormous implications for replication in settings where these pre-conditions do not exist.

Proposition six: Contesting the 'local' in an era of globalisation

While the 'local', and related themes of 'participation' and empowerment' are increasingly part of the development discourse, the 'local' has many conflicting political meanings, and is itself a problematic concept, especially in an era of increased globalisation (Gaventa, 2001: 1-10).

The 'local' is the site and face for democracy building and citizen participation, where people encounter the institutions of state, politicians and receive services. The problem arises when the 'local' as a site is being contested by different agendas and a variety of actors from grassroots organisations and social movements to political parties, to transnational organisations including the World Bank, UNDP, USAID.

The second problem consists of the linkages between local and national policy strategies. The focus on decentralisation may undermine certain national priorities.

Finally, the problem becomes more complex when questions of global governance and global citizenship are raised. Certain established universal rights and conventions may come into conflict with local understandings of rights and citizenship.

The next three themes forms part of the new developments in citizens' participation in governance.

2.4.3.2 New spaces in the institutions of government

A very different analysis of citizens' participation is provide by Cornwall (2004: 1) who suggests that there is renewed concern with rights, power and opinions about participation in governance. Greater attention is being focused on the institutions that articulate between communities, providers and policy makers. The idea is how to create greater opportunity for deliberative democracy. And it is believed that citizen participation makes for better citizens, better decisions and better government.

Cornwall (ibid) borrows the concept of space (cf. Lefebvre: 1991) which has been created for citizen participation in governance. Space is used as both a metaphor as well as literal descriptor of arenas where people gather in space-time.

There are different types of spaces (Ibid). For example space for participation can be described as 'invited spaces' that are created by either governments or donors either through exerted pressure or by shifts in policy. These spaces could be temporary or more enduring. Another type of space is referred to as 'popular space' where people come together in protest against government policies or foreign interventions, or to produce their own services for mutual benefit. These spaces can be regularized by governments or they may appear from time to time in transient forms depending on the circumstances of people.

2.4.3.3 Complexity and networks

Hajer and Wagenaar (2003: 1-30) discuss developments in governance within the context of the network society which is charaterised by such concepts inter alia, 'institutional capacity', 'networks' 'complexity' and 'interdependence'. These

new developments have implications for a different kind of politics and policy-making. These concerns were raised by Manuel Castells (1996) in his famous trilogy "Rise of the Network Society" where the characteristics of institutions are examined. Institutions which imply stability have given way to networks that imply fluidity. The dynamics of these networks becomes critical sources of power and can have for example serious implications for governance.

The authors therefore propose five challenges for policy making and politics in the network society which are discussed below (Hajer and Wagenaar, 2003: 1-30):

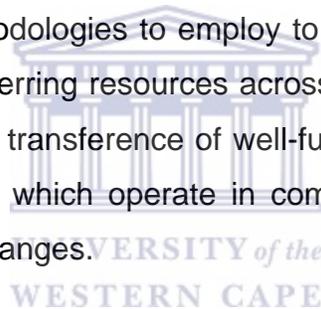
- **New spaces of politics:** traditional top-down bureaucratic structures make way for government institutions, citizens and the private sector to act as entrepreneurs. Party politics give way for deliberative politics.
- **Politics and policy making under conditions of radical uncertainty:** society has taken on more complexity and uncertainty implying that policy making and politics cannot be based upon the belief of absolute knowledge.
- **Increased importance of difference:** Modern societies have become culturally more complex. Therefore, solving problems must include the capacity to deal with groups that do not support the same metaphorical language.
- **Greater interdependence:** There is greater interdependence in society and a growing importance of transdisciplinarity. There is also the idea of transinstrumentality where functions cross over institutions.
- **The dynamics of trust and identity:** The politics of the past relied upon trust and confidence of government institutions. This trust can no longer be assumed to be present. One reason as discussed earlier by Gaventa (2001: 1-10) is the loss of confidence of people in their respective governments to deliver services. However, the main reference in this context is the continuous need for progress that brings about new conditions and events.

2.4.3.4 Building the institutions of state

The final contribution selected for discussion in this sub-section on participation in development discourse is Fukuyama (2004: 43-91) who together with Huntington (2003: 56-78) have made critical analyses of the world order in terms of politics, governance, culture, power and conflict. Their analysis has important lessons for citizens' participation in governance.

Fukuyama (op cit: 43-91) postulates state-building through the creation of new government institutions and the strengthening of existing ones. He believes that failed or weak states are the source for many of the world's most serious problems, from poverty to HIV/AIDS to drugs and terrorism.

The challenge is what methodologies to employ to transfer strong institutions to developing countries. Transferring resources across international borders is now common knowledge, but the transference of well-functioning institutions requires certain habits and practices which operate in complex ways. Sometimes local people tend to resist such changes.



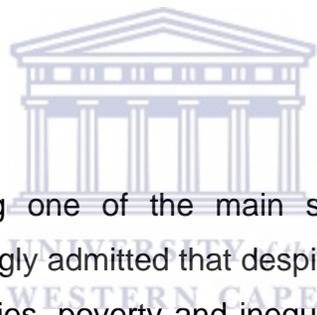
The essential idea proposed by the author is to reduce the scope of nation-states and introduce 'smaller government' as was proposed by the World Bank (Tanzi and Schuknecht, 1996). The belief is that there is too much regulation and excessive state intervention. States should therefore strive for small but stronger institutions. The idea is to strengthen weak states of the south in order to bring greater international security.

At the international level, the concern is that the World must not be turned into clashing great powers as experienced in the past. Other forms of soft power like nation-building are more important where democracy, self-government and human rights are promoted.

2.5 Participation according to development agencies

The final contributors in the debate and implementation of citizens' participation referred to in this chapter are the international development agencies, in particular, the World Bank and the IMF. The World Bank has embraced citizens' participation methods in the implementation of its policies and has made citizens' participation a condition in reporting formats. The IMF has also developed a new economic reporting framework as a requirement for all governments so that ordinary citizens can understand and have access to economic information. In both the cases, the World Bank and the IMF intend to promote transparency and accountability in governance through the practice of citizens' participation. There are also important implications for the budget process which is the focus of this study.

2.5.1 The World Bank



The World Bank is among one of the main supporters and financiers of development. It has surprisingly admitted that despite huge sums of money being directed to developing countries, poverty and inequality is increasing. The World Development Report 1999/2000 (World Bank, 2000:14-21) makes some startling admissions, among them, that development has multiple goals and processes and goes beyond economics to address societal issues in a holistic fashion. Given a stable macro-economy, the Bank now includes the following elements for successful development (ibid):

- the emphasis on beneficiary participation;
- responsiveness to gender concerns;
- government ownership of projects;
- the role of social capital; and
- networks of trust and association.

The focus on gender is particularly important. The thinking now is that improvements in gender equality reinforces other elements of the development agenda. Women who have low levels of education and training, poor health and nutritional status and limited access to resources have the effect of reducing the quality of life of the entire population. Discrimination against women then impairs other elements of sustainable development.

In a new approach by the World Bank and the IMF, civil society is being offered a part in shaping and implementing national anti-poverty strategies (IDS, 2001). In order to access debt relief, countries are being asked to produce a Poverty Reduction Strategy Paper drawing on inputs from all sections of society.

Poverty Reduction Strategy Papers (PRSPs) is a new anti-poverty framework announced late in 1999 by the World Bank and International Monetary Fund (IMF), which in effect replaces the previous structural adjustment programmes. They are intended to ensure that debt relief provided under the enhanced Highly Indebted Poor Countries (HIPC) Initiative, and concessional loans from the international financial institutions, help to reduce poverty in the poorest, most indebted Southern countries (ibid.).

In order to get creditors' approval for debt relief, countries have to prepare a PRSP outlining poverty reduction goals and plans for achieving them. Countries must then demonstrate progress towards these goals before any funds are released. There is time pressure on both sides. Countries want to benefit from debt relief as soon as possible, while the financial institutions want to be seen to be taking swift action. Of the 40 countries currently eligible for HIPC debt relief, about 25 hope to have PRSPs in place by the end of 2000 (World Bank, 2005).

The focus of PRSPs, according to the World Bank, is on identifying in a participatory manner the poverty reduction outcomes a country wishes to achieve

and the key public actions - policy changes, institutional reforms, programs, and projects which are needed to achieve the desired outcomes (ibid).

In some respects, the PRSPs are a triumph for the non-governmental organisations (NGOs) around the world that have campaigned for debt relief. But it also raises questions and concerns, including:

- will the PRSPs be seen by poor countries as yet another restructuring exercise from a foreign source – just another form of aid conditionality that must be accommodated?
- while the participatory approach is encouraged, how does this process work in practice on the ground? Clearly, if the PRSP approach is to succeed in its ambitious objectives, building effective participation into the process will be essential.
- Will countries place emphasis on the Paper, rather than the actual strategies to be employed?

In an effort to promote citizens' participation in line with the PRSP approach, the Bank has developed a citizens' participation course manual for roll-out in member countries (World Bank, 2005).

2.5.2 IMF: new economic reporting format and standard chart of accounts (RSA, 2003)

The introduction of a New Economic Reporting Format (NERF) and Standard Chart of Accounts (SCOA) is a significant development in member countries of the International Monetary Fund. In addition to the package of reforms implemented by National Treasury since 1998, the introduction of the NERF and SCOA in South Africa is part of the overall transformation of government. The intention is to transform government into a more efficient, effective and economical sector.

NERF can be described as a new budget reporting format, whose aim is to make government data more user-friendly. SCOA can be described as a new structure of government accounts, whose aim is to harmonise the budgeting and reporting definition of items of payments, receipts, assets and liabilities, so that useful and reliable financial information can be developed. SCOA is a combination of the requirements of the NERF and annual financial statements. The NERF will apply to the entire government sector. The entire process is controlled by the National Treasury.

The legislative framework for NERF and SCOA include: the Constitution of South Africa, Act 108, 1996; the Public Finance Management Act 1, 1999 (as amended); and the Medium Term Expenditure Framework Treasury Guidelines (Preparing MTEF Submissions 2004).

The key factors for the introduction of NERF include: replacing the outdated classification system that had much duplication resulting in poor accounting of government financial transactions; improving accountability in the public sector; provide better quality information to legislatures; reinforcing legislature's oversight role in service delivery; modernising the system of accounts; and introducing a single classification standard in government accounts.

The principles underlying the design of NERF include: it meets constitutional mandates for accountability and transparency; it is clear, user friendly and accessible to all people; the system is transparent and promotes accountability; easier to calculate relevant economic variables e.g. GDP, Govt contribution to value added of SA; and government Financial Statistical tables can be extracted easily.

SCOA on the other hand promotes the standardisation of transaction items in the list of receipts and payments and assets and liabilities of government

departments. The system of accounts will ensure correspondence to the new performance budget format that is promoted across government departments.

The critical users of SCOA include government officials as well as economic analysts and statisticians within and without government who constitute the actors that portray the performance of economies and who influence attitudes on investment. The system also enhances performance budgeting through improved financial planning; management and monitoring of all government finances; comparative performance of programmes; and there is increased accountability. The design features of SCOA support good governance and having the downstream function of supporting service delivery.

The introduction of the new economic reporting framework can potentially improve local governance in the following ways: the budget will be linked to service delivery thereby ensuring efficiency and performance; public administration in general will be transformed both qualitatively and quantitatively; and the impact of public goods and services expenditures on the GDP of the country can be accurately measured.

In implementing the initiatives of the World Bank and the IMF, it is envisaged that citizens' participation in governance can be practicable for all citizens. Citizens' participation therefore is a function of efficiency, transparency and accountability leading to good governance.

2.6 Summary

This chapter discussed the theoretical framework for citizens' participation. Citizens' participation was traced to four main sources: classical democratic theory; feminist theory; development discourse; and the influence of the leading development organisations, viz. the World Bank and the International Monetary Fund.

Citizens' participation in classical theory was based on universal individualism; the ideal situation for decision-making was one where no organized groups were present, just individuals, with the emphasis on equal and independent individuals. This ensured the equal distribution of power when participating in institutions.

However, the reference to feminist theory showed how certain groups and differing views can be marginalized and thereby hindering democratic practices. It was also shown that feminism also contained problems when it attempted to idealise universalism, the notion of total equality and liberty.

The development discourse emphasised the rights of citizenship, in particular the right of citizens to participate in the processes of governance. This sub-section considered the work of Gaventa (2002) and the Institute of Development Studies at Sussex University, the leading institution in the UK addressing participatory discourse. A reference to the abstract notion of space in the institutions of government followed. Then a brief reference to the new policy making context around complexity and networks was made to show the impact on citizens' participation. The sub-section concluded with the reference to impact of globalisation on the institutions of the state.

The chapter concluded with new developments and contributions by the World Bank and the International Monetary Fund around citizens' participation. The

World Bank is implementing a capacity building programme in developing countries on citizens' participation. The International Monetary Fund has in place a new economic reporting framework as well as a new Standard Chart of Accounts which have implications for citizens' participation in general.



CHAPTER 3

POLICY FRAMEWORK FOR CITIZEN'S PARTICIPATION IN LOCAL GOVERNANCE AND THE BUDGET

3.1 Introduction

After developing the theoretical and conceptual framework for citizens' participation in Chapter 2, the current chapter commences by examining the global and local context of local government, followed by the South African constitutional and legislative provisions for local governance. The chapter proceeds to refer to three case studies having similar developing status in the three continents of Europe, Africa and Europe. The case studies are further interrogated to a comparative analysis in Chapter 4, revealing important lesson for the empirical part of this study.

The chapter concludes with a critique of citizens' participation, with an attempt to present a balanced view of the subject matter of this study.

3.2 Global and local context

Emerging local governments face many challenges at the economic, political and social level. A combination of changes in world economic trends and the resulting restructuring of sub-national governments and the new services delivery options, (subjects of globalisation), bring powerful influences at the local sphere. According to Van der Molen, et. al. (2002: 61) and Clarke & Gaile (1998: 7) some of these concerns include:

Economically: Increased competition to attract international capital and investment; increased private-public partnerships to promote local economic development; industry and technological developments are demanding new 'soft' skills that are not being matched by the labour market; and unemployment has increased due to restructuring at work places.

Politically: increased civil society activity to oppose globalisation; weak local knowledge limiting the formation of local policy options; and social movements have increased pressure to seek new ways to providing and financing urban services.

Socially: the gap between the rich and the poor is still on the rise; fragmentation of labour due to de-unionisation and marginalization; increasing erosion of traditional institutions such as the family unit and religious organisations; growing social diversity; new life-style preferences; and increased non-mainstream ideologies.

However, in the face of growing diversity, globalisation appears to be demanding uniform approaches. Meyer (2000: 235-250) comments on how globalisation may be straight-jacketing national states in terms of national and regional governance: there is preference for a common model of the national state throughout the world. Nations essentially define themselves in terms of fundamental purposes, in this case, as having to do with the socio-economic development, or welfare, individual justice, rights and equality; national policies are kept in line with common world socio-economic models; there are also common models of human rights. (For example, nations do not want to be perceived as excluding the rights of women, gays and other groups; and rights and social progress is made possible through educational expansion.)

The work of cities has dramatically changed. Cities produce a myriad of activities and practices which link local economies to global networks. Clarke and Gaile

(1998: 5-11) propose six challenges facing the new global city in its operation: *value-added production* - in the past, the value of production was based on locations where costs were low. Now, this has changed to human capital investments to enhance value-added. The coming of knowledge-based industries and the importance of information technology makes it necessary to build on human capital. This has therefore necessitated the "Post-Fordist" method of production which calls for flexible processes in production, labour relations and working conditions; *shift from national to local/sub-national government* - devolving the political and economic decision-making process to sub-national levels of government. This means that decisions affecting local development are designated and carried out by local areas; *entrepreneurial economics* - local areas are taking more entrepreneurial economic roles and broader political responsibilities. Cities now have the responsibility for economic growth rather than focusing on their traditional role of delivering services and as a regulator; *policies are context specific* - planning and programmes must be locally driven. While policy may be nationally co-ordinated, the responsibility rests with local areas to plan, implement and monitor economic development; *linking local policy initiatives with the global web* - local areas have to invest in human capital initiatives and link local economies to global markets through trade and information technology strategies; *re-inventing local citizenship* - it is recognised that globalisation would further the gap between the wealthy and the poor. It is also recognised that reducing economic inequality is more difficult than racial and gender discrimination. Local areas must therefore focus on skills development, create jobs, and enhance social capital.

Within the South African context, while there has been significant progress in the transition of local government, Parnell (2002: 159-175) points out a set of challenges still to be met: *period of transition* - local government is still undergoing transition. There is still a considerable degree of uncertainty; *policy choices* - local governments face changing policy choices. Some municipalities may not have the requisite capacity to engage in policy choices; *costs of the*

transition - the transition has meant considerable costs for municipalities. Such costs have been incurred by salary equalisation, redesign and redevelopment of organisations, and transaction costs of new systems. These sudden costs have pushed municipalities into crisis; *capacity shortages* - many municipalities have lost experienced personnel and many are in dire need of skilled personnel; labour issues - the decisions at centralized wage bargaining and application at local level may not always be ideal; *restructuring of assets* - restructuring of municipalities municipal assets have resulted on several problems at the local level, including retrenchments; *equity* - while policies and initiatives are aiming to bring equity at the local level, there are still structural barriers toward achieving higher levels of development at the local sphere.

Local governments face many challenges within a changing global context. The main feature appears to be loss of their traditional role of regulator and deliverer of services. Instead they are taking on more entrepreneurial and political roles with the participation of other stakeholders including business and locally constituted bodies. This feature can also be found in the South African context, where restructuring is occurring on the basis of constitutional and legislative directives.

3.3 Constitutional and legislative provision for citizens' participation

For the last twenty years, the concept of 'participation' has been widely used in the development discourse. In South Africa, the previous idea of participation was popularized both within communities in social development programmes, and at the workplace as democratic management by the leading trade unions. However, currently the principle of community or citizen participation is taking place within a constitutional and legislative framework that places participation at the very heart of the system of local government.

Firstly, the Constitution (RSA, 1996: 81) places an imperative on participation to ensure sustainable, democratic and developmental local government. Article 40 sets out the objects of local government as follows:

- a) To provide democratic and accountable government for local communities;
- b) To ensure the provision of services to communities in a sustainable manner;
- c) To promote social and economic development;
- d) To promote a safe and healthy environment; and
- e) To encourage the involvement of local communities and community organisations in the matters of local government.

In addition, article 153 (ibid: 81-82) then spells out the developmental duties of a municipality as follows:

- a) Structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- b) Participate in national and provincial development programmes.



Secondly, Section B of the White Paper on Local Government (RSA, 2005), obliges municipalities to develop mechanisms to ensure citizen participation in policy initiation, formulation, implementation, monitoring and evaluation of programmes. Each municipality must develop a localized system of participation.

The White Paper (ibid) outlines four characteristics of developmental local government which links it with the constitution in order to enable development:

- maximize the social development and growth of the community;
- integrate and co-ordinate;
- democratise development by empowering and redistributing; and
- lead and learn.

Overall, developmental local government would be constructed around the following key responsibilities: poverty alleviation; economic growth; co-ordinated governance; increasing democratic participation; focus on vulnerable groups; and environmental sustainability.

Thirdly, the Municipal Structures Act, No 117 (RSA: 1998) requires all municipal councils to develop mechanisms to consult and involve the community and their civil society organisations in local governance. Section 19. 2. (c) and 3. of the Act directs municipalities towards a new culture of governance that complements representative democracy through participation. The community can be involved in the following municipal functions:

- preparation, implementation and review of integrated development plans (IDP);
- establishment, implementation and review of performance management system (PMS);
- monitoring and review of performance, including the outcomes and impact of such performance;
- preparation of the local budget; and
- strategic decisions relating to the provision of municipal services.

Fourthly, Section 17 of the Municipal Systems Act (RSA: 1998) provides that participation by local community in the affairs of the municipality must take place through political structures. Municipalities must also take into account the special needs of people who cannot read; people with disabilities; women and other disadvantaged groups.

Members of communities, like municipal councils, have rights and duties. Members of the local community have the right to:

- participate in the decision-making processes of the municipality;
- use and enjoy public facilities;
- access to municipal services;
- submit recommendations, complaints or representations to the municipality;
- expect prompt responses from the municipality;

- informed of decisions of the municipal council;
- expect the council to disclose information about its business and finances; attend meetings of the municipal council and its committees; and
- demand that the council acts in a transparent and impartial way.

Municipal processes such as planning, budgeting, and service delivery, can be complex and difficult to understand. Local residents and groups with access to skills and resources may be in a better position to participate in these complex processes than other, less resourced residents and groups. To ***'level the playing field'*** and ensure that all residents and groups are able to participate effectively, municipalities must take steps to build the capacity of the local community to participate. Municipalities are required to allocate funds in their annual budget to facilitate and build capacity for community participation, in addition to building the capacity of, councillors and staff.

Finally, Section 22 of the Local Government Municipal Finance Management Act, No 56 (2003) provides for the publication of annual local budgets and to invite the community to submit representations in connection with the budget. Further, Section 23 calls for consultations with the local community on the tabled budgets. After full consultations, the mayor must be given an opportunity to respond to the submissions and, if necessary, to revise the budget and table amendments for consideration by the Council.

There are other acts that support local governance, including:

- The Preferential Procurement Act seeks to enhance BEE, thereby redistributing local resources and promoting local economic development.
- Local Government: Municipal Property Rates – attempts to achieve equality and equity in the local tax regime.
- Promotion of Access to Information Act (No 2 of 2000) which gives people the right to have access to any information which the government has if they

need it to protect their rights. Officials can only refuse to give information in certain limited situations.

- Protection of Disclosure Act (No 26 of 2000) which protects people who speak out against government corruption, dishonesty or bad administration .
- Promotion of Administrative Justice Act (No 3 of 2000) which states that all decisions of administrative bodies have to be lawful, procedurally fair and reasonable. People have a right to be given reasons for decisions taken by government officials.

Together, these pieces of legislation provide a framework for a democratic, accountable and developmental local government system, as envisaged by the Constitution.

3.4 Limitations to citizens' participation

While participation is legislated for in South Africa, it is not without limitations (IDASA, 2002). Participatory governance should not permit interference with a municipal council's right to govern and to exercise the executive and legislative authority of the municipality. The municipal council, which is the product of representative democracy, has the sole legal mandate to govern. More importantly, it has the political legitimacy to do so.

Participatory democracy is there to complement the politically legitimate and legally responsible structures. A community participatory structure such as a ward committee, for instance, may add to the formal structures of government, but may not replace or substitute them.

However, the promotion of citizens' participation must be encouraged through three interrelated elements (ibid.): an open and transparent government, involving citizens in its activities and decision-making processes; a consistent

and persistent flow of information from the government to its citizens and vice-versa; and efficient ways of informing citizens about their roles and responsibilities to participate as equal partners.

3.5 Participation in ward committees

Ward committees have been established as a tool to encourage community participation for municipalities that have opted to have them. They are a creation of legislation, the Municipal Structures Act, 2000 giving effect to the Constitution. These structures are committees of not more than 10 members of a ward and a ward councillor is the chair. Its role is to facilitate participatory democracy; disseminate information; help rebuild partnership for better service and development delivery; and assist with problems experienced by people at the ward level.

Establishing ward committees is currently not mandatory for all municipalities. However, legislation makes it mandatory for municipalities to develop mechanisms to consult and involve communities in the affairs of the municipality and its processes. According to IDASA (2002), it would seem that most municipalities have chosen to establish ward committees to comply with this aspect of legislation on citizen participation. Some municipalities have chosen not to refer to the community participation structures as ward committees. Some municipalities in KwaZulu-Natal, for instance, refer to these structures as development forums or residents' associations and intend to use them for a similar purpose as ward committees (ibid).

It is important that citizens' participation not be limited to formal structures as shown by international experience. Citizens may also be invited to participate on certain council committees such as citizens' advisory budget committee. Some councils have also created sub-council organisations to facilitate public

consultation and involvement in decision-making at a more local level. Councils in the United Kingdom for example, have created a forum for all partners in the community to come together for planning and co-ordination (ibid).

The following are some of the other mechanisms that municipalities can put in place to enhance community participation in local governance (IDASA, 2002).

Public meetings: Public meetings are the most common method of public participation. Municipalities invite the public to attend council meetings. They can discuss anything from development to reports to the community on progress of projects taking place in the area. Also council meetings are open to the public. The Municipal Systems Act clearly provides for public notices regarding time, venue and date of a council meeting. The same can be said of other public meeting called by the council.

Public hearings: Public hearings are usually held to give the community a fair and open opportunity to state its case on a matter. They are commonly used by national and provincial legislatures as part of the process of making law. Municipalities also make by-laws and are required by law to publish them.

Public hearings can be held to allow the public an opportunity to input on the process of developing certain by-laws, especially if they bring changes to the way of doing things in the municipal area. Inputs at hearings are normally through direct communication, although written submissions are encouraged

Consultative sessions: Municipalities are tasked with the social and economic development of their communities. As this is a new mandate for many municipalities, it is important to consult the community on matters of development generally. Communities can therefore own the development processes in their areas. Consultative sessions can prove very fruitful to participatory governance.

Report back meetings: The community is entitled to be informed of decisions the municipality takes affecting its rights and expectations as well as regular disclosure of the state of affairs and finances of the municipality. Regular report-back meetings can be used for this purpose. Representatives and ward councillors are expected to report back to their communities on their activities.

Advisory committees: According to the Municipal Systems Act, a municipality may establish one or more advisory committees consisting of persons who are not councillors to advise the council on any matter within the council's competence. These committees can be very useful in that they bring in expertise that may not be resident in council or that may complement council's expertise.

These committees can be technical or be on matters of governance in which case the community based organisations and NGOs can play a meaningful role in local governance. It is important that these committees are gender sensitive.

Focus or interest groups: Concerned individuals in a community who share the same interest (for example, tourism, crime, or concern for the environment) may form groups to lobby and advise the municipal government on those specialist interests. They can also be consulted by municipalities for advice.

Communication: Communication is a very important tool in facilitating participatory governance. It is therefore crucial for a municipality to have a newsletter, hold annual general meetings, establish information points or help centres form strategic partnerships with various stakeholders in the community IDASA, 2002 Participatory Governance at Local Level, <http://www.idasa.org.za/>).

The ward committee system can become an effective instrument for citizens' participation at the local level, provided that the local councillor leads the process. However, problems could also arise, for example, if the councillor is not effective, or if the ward is dominated by a particular interest group. Additionally,

there may be confusion if the ward committee system operates in parallel to other forms of consultation methods as outlined above.

3.6 Lessons from participation in the national budget process

Citizens' participation in the local budget process is still in the early stages in South Africa. At the nation level, the budget process has been impressive in terms of fiscal policy, but still weak in terms of participation. While there are efforts through the "People's Budget", "Women's Budget" and "Children's Budget" by civil society, their impact must still be measured. Writing on behalf of IDASA's Budget Information Service, Barberton (IDASA, 2000) makes the following conclusions on participation in the national budget: government has made significant efforts to establish transparency and accountability in the budget process. These include the introduction of a Medium Term Expenditure Framework (MTEF) and various other budget reform measures; the South African Constitution entrenches, in principle, a degree of transparency in budgeting and financial management. Further national framework legislation has been introduced to translate this principle into budget practice; the Public Finance Management Act (PFMA) of 1999 sets stringent transparency requirements, including regular reporting and the assignment of accountability. It also has far-reaching provisions on the scope and usefulness of budget information. Subsequent legislation has extended the requirements of the PFMA to the provincial sphere of government; in spite of significant progress, it must be noted with concern that there continues to be a lack of clarity around the budget amendment powers of the legislature; the legislatures and civil society have access to sufficient and adequate information to engage with the budget process (*This claim may be refuted by some civil society organisations*); however, so far legislatures and civil society have failed to make optimal use of available information and to take up opportunities to influence policy in the medium-term; there is scope for the legislature to restructure its engagement in the budget

process to make its inputs more meaningful; and civil society and the legislatures require greater capacity and will to focus on issues of allocative and operational efficiency.

It is clear that there exists a major difference with citizens' participation in the budget process at the national and local spheres of governance. While national parliament consists of the elected representatives of the country, it is unable to make direct inputs or changes to the national budget. Members of parliament may only participate in the budget process if relevant legislation authorizes them with such powers. However, at the local sphere, the community and community organisations may be consulted on the local budget in terms of the legislation. The rationale for such a difference in policy is unclear.

3.7 International experience of citizens' participation in the local budget



There are several case studies of citizens' participation in the local budget in different international locations. Each has differing aims, scales of participation, methods and outcomes. The study refers to three cases and shows contrasting trends in European, African and Latin American experience.

The first case is the City of Brosov in Romania which employed consultative neighbourhood councils open to all residents which enable ordinary citizens' voices to be heard on local topics or specific problems related to municipal public policy.

The second case of the Nelson Mandela Metropolitan Municipality in South Africa, is intended to show how the media and concerned community groups can advocate the state to support and fund local initiatives in the absence of national government initiatives.

The third case study of Porto Alegre contrasts radically with the first two case studies. The Porto Alegre Experiment became known for “radically democratizing democracy’ (Gret and Sintomer, 2005: 3). This approach operates directly with people on the ground and is pro-poor, focusing on priorities decided collectively.

3.7.1 ROMANIA, BRASOV (adapted from Toolkit Participation, 2005)

The first case study consists of the City of Brasov in Romania, Europe. The scale of citizen’s participation was small scale urban. The focus area was improving local government. The subject was *‘budgeting policy oriented to consuming, rather than capital investments’*. The objective was *‘prosperity of the community by citizen involvement in budgeting’*.

The project was initiated by the Mayor of Brasov. The actors comprised Municipal council employees, Service NGOs, National enterprises, Organisations of neighbourhood people, Health organisations, Educational organisations, Media, and International Organisations, in particular USAID.

The period covered by the case study was November 2000 to September 2001.

Background:

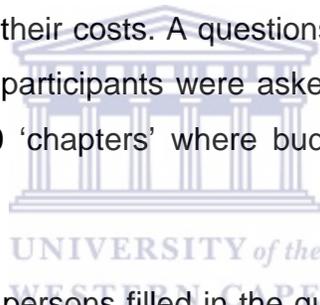
In 2001 the municipality invited citizens to participate in ‘elaborating’ on the operating the budget of the city. Two workshops on budgeting were conducted by a consultant for 46 people, i.e. 8 directors of divisions and 38 heads of departments in the municipality. As an outcome of the workshops, the Mayor appointed an operations team of 7 from the Budgeting Department and Citizen Information Centre. The Budgeting Department provided a format for programme budgeting and all departments and divisions were required to provide data and

information. The Citizen Information Centre offered information and assistance to all the departments on the content of the budgets and performance indicators.

Case description:

A public survey was conducted and citizens were required to identify a list of top capital investments. The list of top capital investments were ranked as follows: street rehabilitation; ecological landfill building and operation; ring road for heavy trucks; rehabilitation of the central heating system; and procuring new buses.

A public meeting was then convened. The mayor made a short presentation of the financial policy for the current year and for the following three years. Presentations of the eight divisions of the City Hall followed. The focus was on the services for citizens and their costs. A questions-answers session closed the meeting. Before leaving the participants were asked to fill in a questionnaire, in which they had to name 10 'chapters' where budget cuts should be made in order of priority.



Of the 576 participants, 267 persons filled in the questionnaire. The budget cuts were prioritised as follows: City Hall operation expenditures; subsidies for the central heating system; subsidies for the public transportation; capital investment; culture; public lightning; sanitation services; welfare, social services; streets repairs and maintenance; and education.

Participation outcomes:

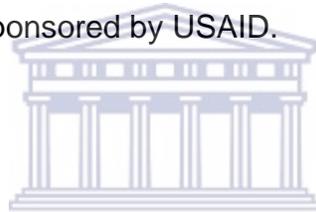
The outcomes included: formation of an Educational Task Force to provide technical assistance and monitor financial management in education spending. Created in March 2001 it is has now a permanent structure ('character') and works together with other departments of the City Hall; a permanent Citizen Consulting Committee on transportation for monitoring the public transportation

quality of services, costs and social impact also received priority; and permanent Citizen Consulting Committees on neighbourhoods for identifying the needs for each neighbourhood and promoting them to the City Council level was also placed high on the budgetary agenda.

Participation tools:

Survey and questionnaire results combined formed the basis of the policy choices to be made. Both public meetings for consulting the citizens, as well as the focus groups on fields of interest for the budget have become compulsory tools to be put into practice before the final approval of the local budget.

The City Hall contributed \$1,350 from the local budget. The training and technical assistance programs were sponsored by USAID.



Participation results:

The number of directly participating people was 1,623. Of these 363 were involved in the public survey, 576 participated in the public meeting and 267 filled in the questionnaire concerning the budget cuts; 43 people got involved in 2 focus groups on money for education; 15 participated in the citizen consulting committee on public transportation services; 350 participated in the 35 citizen consulting committees on neighbourhoods; 6 persons were on the team running the program and 3 were consultants (one for budgeting procedures and two for public participation tools).

The Citizen Consulting Committee on transportation consisted of volunteers, committed to helping the local government and the service provider to get to better performance.

Thirty five Citizen Consulting Committees of 10 members had the competence and power to represent the neighbourhood and to promote their interests in front of the City Council. Each neighbourhood included housing associations, small businesses, food stores, large companies, service providers, schools teachers, students, surgeons and cultural institutions.

The lessons learnt included: youth were apparently more responsive and active than the adult population; the pupils, students and their parents have had a say in repairs, improvements, rehabilitation and capital investments for the schools where their children are learning; schools principals who were teachers at the same time, were not always the best managers. They realised they had to accept a professional manager to run finances and administration; new focus groups were organised for health, culture, social services, central heating and affordable housing; volunteers were committed to improved performance; the City Hall departments publicly reported their achievements or failures on a quarterly basis; local government employees learned to make 'attractive presentations, how to inform citizens correctly and to become aware of the importance of communication and marketing'; and elected officials were found to be 'pretty' reluctant. Apparently they saw 'public participation as a tool for their political interests'.

The citizens' participation effort was initiated by the Mayor without a legislative mandate making the process time specific. While the scale and extent of the consultation process was limited, there were positive qualitative results in terms of structures that were formed to address specific tasks as well as the prioritization of budget allocations. These outcomes give legitimacy to local programmes and stakeholderhip. A detailed comparative analysis of the different cases studies will be provided in Chapter 4.

3.7.2 South Africa, Nelson Mandela Metropolitan Municipality (NMMM), Back to School Aids Orphan Project (adapted from Toolkit Participation, 2005)

In contrast to the first case study, the *“Back to School AIDS Orphan Project”* is a time specific, single issue project. It involved the initiatives of community, business and interested individuals who were concerned about the plight of AIDS affected children. As the project developed over a period, the programme coordinators involved local government departments and officials as stakeholders in the project.

The *“Back to School AIDS Orphan Project”* is based in the Nelson Mandela Metropolitan Municipality (NMMM), Southern Africa. The scale is urban. The focus area is health and sanitation. The subject is HIV and AIDS. The objective is *“to promote the involvement of all sectors of the community in the caring and destigmatization of AIDS orphans”*. The initiators were small businesses in the municipality of NMMM. The actors included the Municipal council employees, Service NGOs, National Government, Health organisations, Local and small enterprises and the media. The duration of the programme was from 2001 to ongoing.

Background

It has been estimated that there will be about 1 million AIDS orphans in South Africa by 2005. The Eastern Cape HIV Antenatal seroprevalence recorded 20, 2% in 2000, an increase of 12% compared with 1999. This further increased to 23, 6% by 2002. The Port Elizabeth sentinel testing site of the Metro recorded 26% that year. The average age of death due to AIDS in the Metro is 29 years, with 2-3 deaths every day owing to AIDS. Many of these are parents leave AIDS orphans behind.

These vulnerable children face many daunting challenges including stigmatization and discrimination. They often “fall through the gaps” resulting in child-headed households. This led to a response by several actors.

Case description

In 2001, a small business responded to a story about a single mother with AIDS in the printed media. The Nelson Mandela Metro AIDS Council had identified AIDS orphans as one of the key target areas for mitigating the impact of HIV/AIDS, but has not responded by programmes in this regard. Bea’s Fashions together with the Boardwalk Casino hosted an exclusive fashion show to raise funds to equip AIDS orphans with school uniforms and stationary in order to enable them to attend school with dignity. This initiative was the beginning of the *“Back to School: AIDS Orphans Project”*.

In July 2002, a 17 year old schoolgirl, Maruschka van Rhyne, raised R 2000 through a “Model of the Year” competition, organized through her modeling agency, Strike Models. After hearing about this, the youth of the Kwa Nolumanyano Seven Days church also decided to do something for the orphans and raised another R2000 at a concert. Other donations from businesses, individuals and churches brought the amount to R14 650 for the 2003 Back to School Project, including a R3000 donation from Volkswagen, South Africa Community Trust. One hundred and twenty children benefited. Food parcels were donated by Meals on Wheels.

In January 2003, the project was adopted officially by the Mandela AIDS Council of the local municipality. The councillors officiating at a ceremony in the City Hall applauded those directly involved and pledged that the AIDS Council would promote the involvement of all sectors of the community in the caring and destigmatization of AIDS orphans.

The back to School AIDS orphans project provided a tangible opportunity to many businesses, individuals and other sectors to become involved in an active “Partnership Against AIDS Response” as called for by Deputy President, Thabo Mbeki on 9 October 1998. The January 2004 Back to School Project raised an amount of R42 600, including R30 000 from Continental Tyres, South Africa, and R261 .30 from concerned Grade 7 learners of Parsons Hill Primary School.

The main activities of the project included: maintaining public awareness of the objectives of the project amongst all sectors throughout the year; ensuring accountability of all donations received; liaising with the Department of Social Development to investigate the circumstances of new cases identified by community structures in order to facilitate, support grants and emergency care for the children in need; compiling a data base of items of school clothing, stationery, school fees required of each needy child; purchasing and individually packing school items per child; and discretely issuing the items in order to maintain the confidentiality.

The main actors in the project were the community, NGO's, CBO's, Business sector, the Metro AIDS Council and Inter sectoral Forum, Schools, Department of Social Development and St Francis Hospice.

Through this project, infected and affected children were afforded the dignity to attend school along with their peers. Perhaps more important was the knowledge that the community of the Metro truly cared about them.

Sustainability

With regard to sustaining the project, the following initiatives occurred: the project has become an annual event and has been officially adopted by the Mandela AIDS Council (under leadership of the Mayor) and promotes the involvement of all sectors of the community; the Integrated Development Plan 2002-2006

contains a Social Development component concerned with developing a database on vulnerable children as well as a database of the number of children in institutes in general, and of available emergency space for children; and funding has been received by the Provincial Department of Health for the establishment of a Multipurpose AIDS Response Centre; a business plan was submitted to the Global Fund (HIV/AIDS/TB) call for proposals. Funding was requested “to develop a costed strategy using best practice methodologies of social mobilization for mitigation of the impact of HIV and AIDS on orphans and vulnerable children in the Nelson Mandela Metropolitan Municipal area”.

Lessons learnt

Lobbying and advocacy: The annual collating of HIV and AIDS statistics in the region showed a steady increase in positive cases and AIDS related deaths and has facilitated the successful mobilization of all sectors and leaders in the fight against the disease.

Media: The local media through positive and responsible reporting of statistics and real life stories of people infected and affected by HIV and AIDS has motivated the community of the Metro into assisting the children.

Awareness campaign: Maintaining awareness of the project at all available opportunities allowed for timely fund raising efforts. The Mandela Metro AIDS Council and HIV/AIDS Inter-sectoral Forum has no dedicated source of funding and was dependent on resources allocated by the Provincial Department of Health to the AIDS Training, Information and Counselling Centre (ATICC).

Participation tools

All sectors were mobilized through the activities of the HIV and AIDS Inter-sectoral Forum at monthly meetings, through the media, at HIV and AIDS

campaigns (Candlelight Day; School AIDS week), where the objectives of the project were explained; appeals made to the public to donate towards this worthy project; and the Department of Social Development were notified of any vulnerable and orphaned children in neighborhoods.

Radio and the printed media offered coverage of the project and interviewed and related real-life stories of people living with HIV and AIDS.

At the 'Distribution Day' event, donors were acknowledged and issued with a certificate of appreciation on behalf of the children. Donors could also 'adopt' an orphan, offer support or follow the child's progress at school, while still protecting the child's identity.

The key lessons of the second case study include the power of advocacy by community groups and the media in highlighting a local issue. The initiative generated broader interest in the community as well as gaining the attention of the local authorities who not only provided financial support to the programme but later included a cost allocation in the local budget.

WESTERN CAPE

3.7.3 The Porto Alegre experiment

The final case study of Porto Alegre in Brazil was chosen for its radical approach, the impressive outcomes it produced, and the extent to which the approach was replicated in other Latin American local areas. The case study also provided a superior benchmark to compare the South African experience, in particular the empirical part of this study.

The experiment in participatory governance in Porto Alegre stands apart from many other similar attempts to institute some version of civic governance in Brazil (Baiocchi, 1999: 1). In the 1998 municipal elections, a left-wing coalition dominated by the Workers' Party (Partido dos Trabalhadores, or PT), known as

the 'Popular Front' was swept by surprise into the City Hall of Porto Alegre. The city's government introduced an innovative endeavour which developed into an institution: the participation of the city's residents in the setting of the municipal budget (Gret and Sintomer, 2005: 1). The Porto Alegre experiment grew into veritable institutions in many other Brazilian municipalities and elsewhere in Latin America.

Colonial history

It must be remembered that the institutional basis for the above system of democracy was embedded in the history of Brazil. It would therefore be useful to briefly trace the historical developments of that country.

The following brief timeline shows a lengthy period of military regimes and key watersheds in the transition to democracy, including the development of civil society and opposition movements (McGee, R, et al, 2003: 15):

- Independence from Portuguese colonial rule in 1822;
- Military regime between the period 1964 to 1985;
- New social movements exerted growing pressure against the military regime; and
- Intense social mobilization and participation in the elaboration of a new and democratic constitution in 1988. The constitutional reform process included extensive use by social movements of the mechanism of '*popular amendments*', through which civil society was allowed to propose amendments during the elaboration of the constitutional text (ibid).

Constitutional framework and rights

In Brazil, the term 'municipal governments' used in reference to city-council executives, has real meaning because of their scope of action (Latendresse,

1999: 4). There is the notion of presidential authority that prevails at all three levels of the political system: the federal, federal-state and district levels. At each of these three levels, the executive is directly dependent upon the president, the governor and the mayor, all of whom are elected through direct universal suffrage. They are not accountable to the federal, state or municipal assemblies, which are also elected through universal suffrage on the basis of proportional representation. The latter are neither able to appoint nor dismiss the former, except through impeachment proceedings.

While maintaining a system of representative democracy, the 1988 constitution legitimates forms of participation other than elections and recognizes community organisations as legitimate actors (ibid.). Commentators in fact consider the constitution as a pact between various political and civic forces of Brazilian society, and thus make civil society a partner of choice in the management of public affairs.

National laws pertaining to participation



In Brazil, decentralization in federal laws are related to social policies and incorporation of participation in the municipal councils are established for areas of health, social assistance, children and youth, and education (McGee, R, et al, 2003: 26).

Each municipality has Municipal Organic Law since 1990 to regulate popular participation at that level. Following constitutional provisions, municipalities must generate their own legislation: e.g. creating and delegating power to municipal councils; referenda, plebiscite and popular initiative; rules for implementation of social policies; public consultations or hearings.

Recognition of rights of popular movements, organizations and civil

society institutionalizing participation in urban areas are set out in government's 2001 Statute of the City. The statute recognizes the 'right to the city'; conferences of the city, democratic management of the city including local participatory planning and budgeting.

National, state and municipal urban policy councils have been established as a result of the Municipal Organic Laws, and provide a forum for including both public officials and members of the local community in the policy process.

The participatory budget

The participatory budget may be defined as a direct participation process whose aim is for residents of different city neighbourhoods to determine the municipality's resource distribution criteria and its investment priorities (Latendresse, 1999: 7). While the citizens decide how to spend the money, the municipal council ultimately endorses the municipal budget.

The participatory budget is based on a three-level structure: the regional assemblies held twice a year, the neighbourhood meetings (also called intermediate meetings), the regional and thematic forums. The work of these bodies are articulated into an investment plan and a municipal budget by the participatory budget council, which is made up of councillors from each regional and thematic forum as well as representatives from the Union of Municipal Employees and local elected officials.

The consultation begins with the holding of regional assemblies. At the first meeting, the municipal administration reports on the investment plan and the budget adopted the previous year. This gives the residents a chance to compare the results achieved with the priorities they had adopted. It is also an opportunity to question the municipality, providing the opportunity for transparency and

accountability. At the second round held a few months later, the residents elect councillors to represent them on the participatory budget council.

The real work of discussion and negotiations of budget priorities takes place at the neighbourhood meetings, where residents identify their investment priorities for their neighbourhood. These priorities are then discussed and negotiated among neighbourhoods of a region, to be integrated into a plan at the regional forums. The city of Porto Alegre has been subdivided into 16 regions with an average of between 40 000 and 100 000 citizens. Simultaneously with the 16 regional forums are the thematic forums. These are designed to promote the participation of other civil society stakeholders such as trade unions, professional associations and business groups. The themes include, city organisation and urban development, traffic and transit, health and social assistance, education, culture and leisure, economic development and taxation.

Next the participatory budget council holds its meeting. In conjunction with the heads of city departments, who discuss the nature of the proposed 'works', their cost and feasibility, the participatory budget council analyses various proposals from the regional and thematic forums. It develops an investment plan and a budget, which the city executive committee then submits to the city council. This step then constitutes the link between forums of representative democracy and those of participatory democracy.

In parallel with the participatory structures, new bodies have been created within the city administrative apparatus to help make the planning exercise a success. A planning office in close correspondence with the mayor's office was created. This office is tasked with the technical realization of the community-identified priorities. More concretely, this office considers the feasibility of projects given the available resources within the various governmental and para-governmental agencies and incorporates the demands and priorities into a development plan. In addition, a community coordination office has been created to build

relationships with city residents. This office is responsible for administrative and political relations between the local government and the community. These coordinators act as facilitators and information providers to the neighbourhood associations and to city residents in general. They are also in close and constant contact with the delegates to the regional and participatory budget council.

Impact of the participatory budget

In terms of improved living conditions Latendresse (1999: 14) reports the following: the participatory budget has improved the quality of life; projects chosen by the participatory budget were able to secure large amounts of investment capital for urban infrastructure, education and improved living conditions; and the mechanisms have helped attenuate disparities between poor neighbourhoods and the well-off ones, ensuring better distribution of resources.

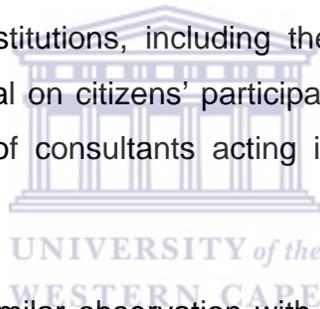
The participatory budget approach has also helped strengthen civil society in terms of: providing an active role in the participatory budget; mobilising the poorly organized neighbourhoods; the impact was also felt on neighbourhoods dominated by traditional leaders accustomed to the system of patronage; on the whole it was found that the participatory budget had a direct positive effect on the organisational capacity of neighbourhood associations as well the training of new activists; the process contributed towards the opportunity for local citizenship where residents have direct experience in the management of public affairs which was no longer the preserve of elected officials; and the opportunity was created for the employment of a new value system that included transparency, accountability and respect for democracy.

The Porto Alegre case study sets a new precedent with regard to citizens' participation in the local budget. It involved a unique policy platform that thrust a complex consultative and democratic process from which real change was possible. The key lessons of the case study included the satisfaction of citizens

by experiencing improvements in their daily living and the benefits of empowering civil society in local governance. These lessons have implications for existing and new theory.

3.8 Critique of citizens' participation

The participation discourse had its genesis in the late 1980's in India and Kenya through the participatory approach known as 'Participatory Rural Appraisal' (PRA) (Cornwall and Pratt, 2003: 1). Since then it has come to be used in many parts of the world (developing and developed) and in a variety of contexts. But most surprising is the fact that once participatory approaches were practiced on the fringes of the political spectrum, it has now become an instrument employed by global developmental institutions, including the World Bank (ibid; see the World Bank's training manual on citizens' participation, World Bank, 2005). It is now also the competence of consultants acting in intermediate roles in local communities.



Beall (2005: 16) makes a similar observation with the use of early social funds know as '*Social Emergence Funds*'. The conventional wisdom here is that by broadening client participation in the development project supported by local funds, connection to and ownership of the project is built and fostered. Participatory approaches are thought to ensure that the aims and objectives of projects match those of the people involved; that people have an impact on projects; and to increase government accountability through the active involvement of citizens. Beall (2005: 16) recognizes that participation was the central tenet of alternative approaches to development but has now come to inform mainstream development practice. The author also points to a new cynicism about the value and purpose of participation, as well its effectiveness to deliver the development agenda.

In a report by Jones and Hardstaff (2005: 4) of the World Development Movement, the authors suggest that during the 20th century, several key advances were made in terms of citizen participation (e.g. universal suffrage in many countries). However, it could be argued that the same period also saw the creation of a range of international institutions that reduced the ability of individuals to participate in decisions affecting their daily lives; from the United Nations and its many sub-sections to the World Bank, IMF and the World Trade Organisation (WTO). The last three organisations have come under severe criticism as well as international public protest in the last few years. The authors believe that the IMF and the World Bank have responded to the criticisms by adopting new ways of working and by the adoption of new rhetoric such as 'country ownership' and 'participation'.

It was also suggested in Chapter 2 (2.5.1) in this study how according to the World Development Report 1999/2000, the World Bank made some starting admissions, among them, that development had multiple goals and processes and went beyond economics to address societal issues. The Bank now included the following elements for successful development: the emphasis on beneficiary participation; responsiveness to gender concerns; government ownership of projects; the role of social capital; and networks of trust and association.

Additionally, it was shown that the Poverty Reduction Strategy Papers (PRSPs) was a new anti-poverty framework of the World Bank and International Monetary Fund (IMF), which in effect replaced the previous structural adjustment programmes. They ensured that debt relief that was provided under the enhanced Highly Indebted Poor Countries (HIPC) Initiative, and concessional loans from the international financial institutions, were in fact conditional, requiring policy restructuring. To obtain concessional loans from the World Bank and the IMF, a country had to agree to a programme with economic conditions attached (Jones and Hardstaff: 2005: 5).

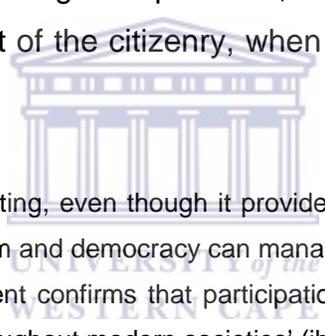
Sitas (in Szell, Chetty and Chouraqui, 2002: 218-227), borrowing from Castells' trilogy the *Information Age*, notes that capital accumulation, while appearing 'novel and dazzling', was in fact having a cruel and restless dynamism on society. The author was concerned that society seemed to have surrendered agency over to globalisation through self-regulating financial and economic flows whilst at the same time, society was seeking agencies to curtail the impact of the very same forces. The pressing question raised by Sitas was whether society had the capacity to respond and shape the conditions of life in this system of global interactions or whether society was involved in a process of 'shaping' what was out of its control. For instance, could the participation discourse in reality be a take over of local agendas?

In a related study by Williams (2005) the author demonstrated how the bureaucratic elites of officials and councillors at local government level imposed their own 'truncated' version and understanding of community participation on particular communities. In reference to examples of community participation in Cape Town, it was possible to show political acquiescence and party political programmes being imposed in communities through 'think-tanks', 'self-styled experts', 'opinion polls' and 'media pundits'. It was clear that community participation was managed by consultants on behalf of party programmes which were clearly not intended to empower local communities.

The references to the preceding works pose two important questions for participation: Sitas was concerned whether by our desire to be part of the globalisation process, we (as a country) may have rather abandoned our commitment to 'civic virtue' and may in fact have sacrificed the many struggles for socio-economic justice during the struggle for democracy. The second concern by Williams was the danger of communities losing control over the development process through party driven motives and through the interventions by 'experts'.

In a move that appeared to partially responded to Sitas and Williams, as if transcending the rhetoric, the eThekweni Municipality was considering going beyond the provisions for citizens' participation in the local budget, by allocating an amount of R 200 000 per annum to each of the one hundred ward committees to be spent by the wards (Moodley, 2004: 107). The thinking was to give communities more of a voice in their development by affording citizens the power to decide in consultation with the local ward councillor how best to spend a limited amount of money on projects that most appropriately responded to ward needs.

On the other side of the argument, the Porto Alegre experiment was considered the jewel in the participatory budget crown. Gret and Sintomer (2005: 130) maintain that in the Porto Alegre experiment, the participatory budget had created a fourth power – that of the citizenry, when it directly assumes decision-making power:



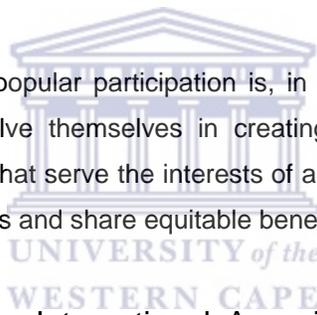
'The experience is fascinating, even though it provides no finished blueprint. Against all those who say that freedom and democracy can manage very nicely without participation, the Porto Alegre experiment confirms that participation is the very heart of democracy, whose arteries extend throughout modern societies' (ibid).

Beall (2005: 122) also affirmed that the participatory approach of the participatory budget achieved three objectives. The first was administrative, where the participatory budget was seen as a way of improving the efficiency of public administration; the second was social, where it was hoped that the participatory budget would invert investment priorities; and the third was political, where the goal of the participatory budget was that of 'democratising democracy'.

Dauids, Theron and Maphunye (2005: 112) provide material that strongly emphasizes that citizens' (public) participation should become a way of life. Referring to the Manila Declaration, the four participation principles are set out as follows: sovereignty resides with the people, the real actors of positive change;

the legitimate role of government is to enable the people to set and pursue their own agenda; to exercise their sovereignty and assume responsibility for the development of themselves and their communities, the people must control their own resources, have access to relevant information and have the means to hold the officials of government accountable; and those who would assist the people with their development must recognize that it is they who are participating in support of the people's agenda, not the reverse. The value of the outsider's contribution will be measured in terms of the enhanced capability of the people to determine their own future.

The above principles are echoed in the African Charter for Popular Participation in Development and Transformation 1990 (in appendix 2, Davids, Theron and Maphunye, 2005: 207-219). The following statement is taken from the Charter:



We believe strongly that popular participation is, in essence, the empowerment of the people to effectively involve themselves in creating the structures and in designing policies and programmes that serve the interests of all as well as to effectively contribute to the development process and share equitable benefits (ibid.)

At the international level, the International Association for Public Participation (International Association for Public Participation, 2000) sets out the core values for participation as follows: the public should have a say in decisions about actions that affect their lives; public participation includes the promise that the public's contribution will influence the decision; the process communicates the interest and needs of all participants; it seeks out and facilitates the involvement of those potentially affected; participants are involved in defining how they participate; communications are put out to participants about how their input affected decisions; and the public participation process provides participants with the information they need to participate in a meaningful way.

The International Association for Public Participation (IAPP) (ibid) has gone a step further to formulate a framework outlining a spectrum of public participation,

the levels of impact on the public and the tools necessary for such effects. It will be noted from this framework that the participation process involves anything from simply providing information to complex forms of control in decision-making resulting in the empowerment of society. From this framework it becomes clear, that the concept of participation is broad and depends largely on what one interprets it to be and the outcomes desired. Hence it would be appropriate to state that the level of participation will determine the goals that need to be achieved.



Figure 3.1 Spectrum of participation and levels of impact:

Increasing levels of public impact through participation				
INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
Public participation goal	Public participation goal	Public participation goal	Public participation goal	Public participation goal
To provide the public with balanced and objective information to assist them in understanding the problems, alternatives and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public issues and concerns are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and identification of the preferred solution.	To place final decision-making in the hands of the public.
Promise to the public	Promise to the public	Promise to the public	Promise to the public	Promise to the public
We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and issues are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.
Example tools: Fact sheets Web Sites Open houses	Example tools: Public comment Focus groups Surveys Public meetings	Example tools: Workshops Deliberate polling	Example tools: Citizen advisory committees Consensus building Participatory decision-making	Example tools: Citizen juries Ballots Delegated decisions

(Source: IAP2 Public Participation Spectrum, Adapted from International Association for Public Participation, 2000)

3.9 SUMMARY

The chapter began with a context analysis for local governments referring to particular political, economic and social challenges facing local governments. The conclusion appears to be that globalisation is demanding a more or less uniform approach to national and regional governance.

After developing the theoretical basis for participation in chapter two, the current chapter concentrated on participation in the South Africa context, beginning with the constitutional and legislative provisions driving citizens' participation. From a policy perspective, it was noted that while citizens' participation was legislated, it could not replace representative democracy and would not be permitted to interfere with the municipal council's right to govern and to exercise the executive and legislative authority of the municipality.

The ward committee system as a further site of citizens' participation was discussed next. However, it was pointed out the ward committees should not limit other methods of consulting with the public.

The chapter then focused briefly on the lessons from citizens' participation in the national budget as this was also an important site of struggle for civil society. Particular limitations on parliament as a democratic representative organ in the national budget process were identified.

The chapter then progressed to outline three case studies of which two were international and one was South African. The case studies provided useful lessons and references that could guide an approach in the eThekweni context.

Finally, the chapter closed with a critique of citizens' participation. There is a balance of arguments: on the one hand, citizens' participation is seen as a co-option of alternative development approaches by the main international

development agencies, including the World Bank and the IMF; and on the other hand, citizens' participation is seen as the *panache* for democracy in general, and deliberative democracy in particular. The model of participation by the International Association of Public Participation appears to show that there are on-going voices calling for new forms of citizens' engagement in governance at regional and local spheres.



CHAPTER 4

COMPARATIVE PARTICIPATORY BUDGET PROCESS

4.1 Introduction

Chapter 4 undertakes a comparative analysis of the eThekweni Municipality's experimentation with participatory methods of budgeting with that of two other case studies cited in the literature. The chapter begins by examining eThekweni Municipality's nature, rationale and extent of participation by civil society; the strengths and limitations of the participatory budgeting process; and the impact that this process had in the determination of what may be termed a "peoples budget" since 2001 (see Moodley, 2004: 75). The analysis includes the extent to which changes in the budget and development priorities were made as a consequence of the participatory process.

The chapter then proceeds with the comparative analysis of the eThekweni Municipalities' experimentation with participatory budgeting process with the two case studies cited in the literature. This comparative analysis and the findings of the empirical study in Chapter 5 form the basis of conclusions in Chapter 6.

The genesis of the eThekweni's participatory budget model is contained in the long term development framework discussed below.

4.2 The long term development framework

The eThekweni municipality began its new strategic framework (visioning) process four months after the local government elections of December 5, 2000. Two hundred councillors and fifty senior municipal officials were responsible for

drafting the Long Term Development Framework (LTDF), also known as the Alphe Heath Accord (Moodley, 2003: 7).

The LTDF sets out the eThekweni municipality's development challenges that are needed to be addressed both in the short and longer term. These include (Durban Unicity, 2002: 5-7):

4.2.1 Creating economic growth, jobs and income: The eThekweni municipality's central development challenge was recognized as the need to strengthen the economic base of the city. The welfare and quality of life of all local citizens, as well as the ability of the municipality to meet their needs, was viewed largely as a function of the local economic base to generate jobs and income.

4.2.2 Meeting basic needs: A key priority was identified as the provision of basic household services to previously under-invested households. There were major backlog areas such as informal settlements and peri-urban areas and the attendant service delivery backlogs in these and in the rural areas of the municipality.

4.2.3 Alleviating poverty: Poverty alleviation was identified as another important developmental goal of the LTDF. The LTDF refers to the estimated 23% of the municipality's population that suffers from extreme poverty (people earning less than R300 per month per person) and 44% who suffer from poverty (people earning less than R410 per month per person). Poverty was concentrated mostly amongst Africans (with 67% being classified as poor) and Indians and Coloureds (with 20% being poor).

4.2.4 Developing our people: The LTDF regarded the municipality's greatest asset as its people. The LTDF was concerned that within the municipality

only 16% of all adults were functionally illiterate; 38% of the adult population had matriculation; and only 8% had tertiary qualifications. In terms of employment skills, there was a gap at all levels between the skills required in the workplace and current skills available in the working population.

4.2.5 Managing the AIDS pandemic: The LTDF viewed the management of the AIDS pandemic as a crucial intervention. KwaZulu-Natal, including the local municipality, was ahead of the rest of the country in terms of the progression of the pandemic. There were limited and fragmented efforts at the social mobilisation of communities around HIV/AIDS.

4.2.6 Ensuring a safe and secure environment: The LTDF believed that people within the municipality were exposed to unacceptably high levels of risk. The LTDF was of the view that ensuring a safe environment remained one of the municipality's main challenges as this was critical for social development, investor confidence and economic development.

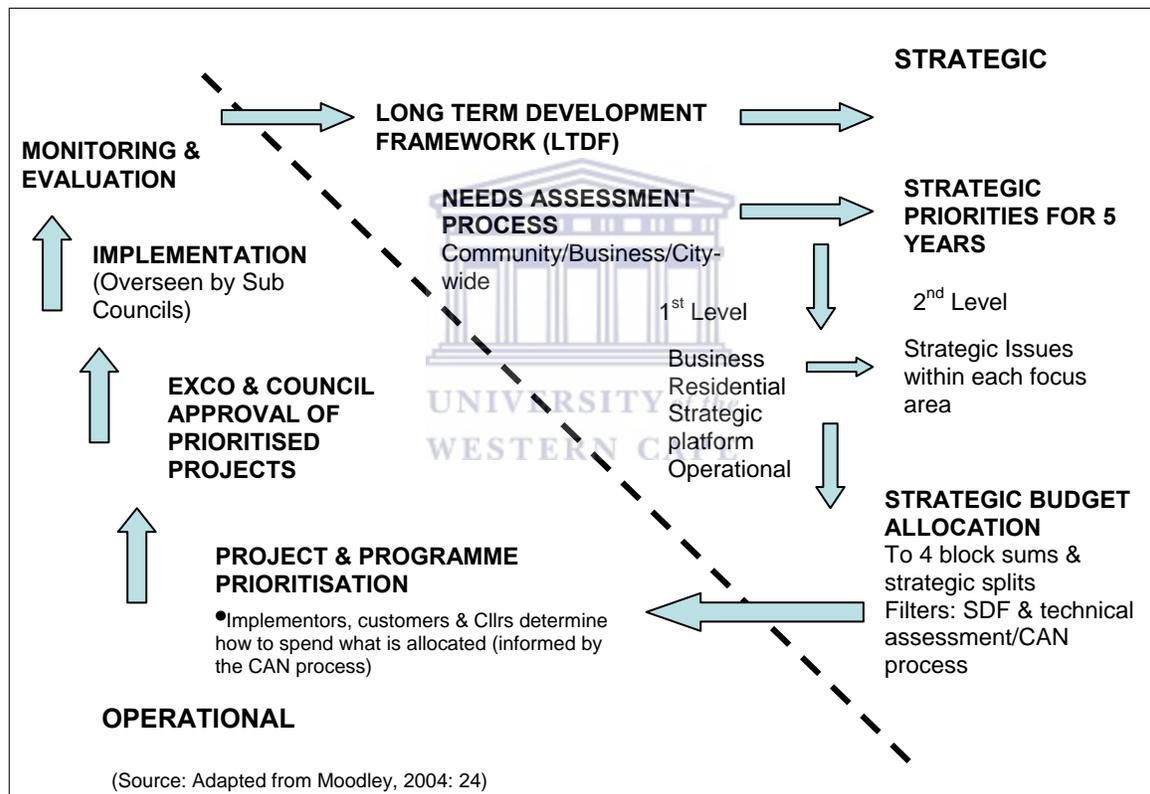
4.2.7 Striving for sustainability: In striving to meet the many challenges facing municipality, the LTDF wished to establish a sustainable development. Sustainability would mean balancing the social, economic and environmental needs of local citizens to ensure that all development occurs within the carrying capacity of the natural environment.

In terms of the development challenges facing the municipality, the LTDF noted that the role of local government could not be its traditional one of mere provision of physical, social, and economic services and infrastructure (ibid: 7). Using the Municipal Systems Act, 2000 as its point of departure an innovative strategic planning process was developed in early 2001. This planning process became known as the eThekweni strategic planning model which is outlined below.

4.3 Participatory model of the eThekweni municipality

The significant feature of the eThekweni municipality’s approach was the design of a single, cyclical and holistic process that moved from strategic and visionary statements of intent, through to a process that combined planning for development, through to implementation and evaluation. Unlike the traditional methodology, the model separated the strategic from the operational planning processes. See figure 4.1 below.

Figure 4.1: The eThekweni strategic planning model



A conventional planning process would involve a process of analysis, strategy development, project packaging, integration and approval. The approach devised by the planning team was one grounded in a more “holistic development” model. Building on the Long Term Development Framework as the strategic framework, the new methodology involved the following key steps (Moodley, 2004: 25-27):

4.3.1 Assessment of citizens' needs

The rigorous community needs assessment work-shopping process run throughout the municipality was the first step in the new strategic planning model. In addition to 100 ward needs assessment workshops, separate workshops were conducted with small, emerging and organised business throughout the municipality during 2001.

Workshops for other stakeholders were also conducted. The focus of these workshops was to ascertain real needs, rather than projects. These needs were to inform a strategic process that determined the way the municipality budget would be allocated. The needs assessment process reflected a home-grown methodology and spirit of doing things in a way that reflected eThekweni's local culture and identity. For example, each local workshop and sector workshop began with a prayer, served traditional meals for all participants, and were deliberately structured in a way that ensured that all participants were comfortable and able to express their views.

4.3.2 Strategic prioritization

The new methodology made strategic choices about the best way to allocate scarce resources. The needs assessments and the Long Term Development Framework (LTDF) led to the prioritising of 4 key strategic areas:

- Residential community support;
- Business community support;
- Strategic/platform infrastructure; and
- Operations support.

Budget allocations were then proposed for these strategic areas (called block sums). Within these four strategic areas, other sub-priorities were also identified

(e.g. for the residential community support block sum, the sub-priorities of housing, social infrastructure and physical infrastructure were identified).

4.3.3 Strategic budget allocation

A key feature of the strategic planning methodology in eThekweni was the process of allocating block sums of money to the four key strategic priorities listed above and then dividing up the block sum allocation to cover the different sub-priorities.

The process of strategic budgeting involved making hard choices about resource allocations for priority-based based. The needs list obtained through the assessment process was tested against a strategic technical process that involved interrogating the data that emerged, comparing them with existing information, and then developing proposed technical interventions.

A key strategic filter was the Spatial Development Framework (SDF) (a spatial plan that helped provide guidance on what strategic infrastructure was needed and where this should happen across the municipal area) and the community needs assessment (CNA) (See figure 4.1 above). This process represented a radical shift from the traditional way that the City Treasurer's Department had conducted its budgeting process. Previously resources were allocated to departments who determined the priorities.

The approach was radical as the budgetary allocation process was now opened up to civil society which was exclusively the domain of the council (councillors and officials). The block sums and splits were not to be finalized by EXCO (top decision-making body of the municipal council) and the SMT (Strategic Management Team – the municipality's administrative leadership), instead the next step was to meet with the organs of civil society for an open debate about the allocations. This strategic budgeting exercise, branded as the "Big Mama 2"

Budget Workshop, was held on 4 May 2002. The participants who had met earlier and endorsed the transformation process (Big Mama Workshop, November 2001), were once again coming together to participate in the council's strategic budgeting process.

During this historic workshop, changes were made to the proposed budget allocation. For example the actual budget allocation proposed by EXCO and the SMT in the residential community support block sum was increased as a result of intense civil society lobbying and debate. This second Big Mama workshop was a demonstration that this was no token participation of communities: citizens had a real say in the way their council's budget would be allocated (Moodley, 2004: 27).

4.3.4 Project and programme prioritization

The fourth step marked the beginning of an operational level process which required the actions and efforts of a range of stakeholders. At the community level, by using the needs assessment data collected previously, community organisations, councillors and officials prioritised projects and programmes to maximise the impact of the limited available funds. This stage marked a highly interactive process between and among the citizens, elected politicians and the administration who collaboratively determined the nature of local projects.

4.3.5 Approval by EXCO and Council

The fifth step involved the submission of the programmes and priorities for approval by EXCO and Council.

4.3.6 Implementation

Implementation of the programmes then took place at the local level involving all stakeholders and co-ordinated by officials. The implementation process involved using the facilities and resources of the municipal council and other service producers. (An example is the iTrump Project in the Warwick Triangle area of the inner city, See Moodley, 2004: 81)

4.3.7 Monitoring and evaluation

The last step in the cycle was the recognition that central to the municipality's new way of doing business would be ensuring that its interventions were relevant and enabled residents to improve the quality of their lives. It therefore put in place a simple, workable and sustainable monitoring and evaluation system that allowed the municipality to measure its successes and take corrective actions where necessary.

The approach to citizens' participation by the eThekweni municipality can be judged to be highly comprehensive and inclusive. However, this approach did not emerge from a vacuum. The approach is steeped in historical experience and the new policy choices on the nature of the local state after 1994. A brief discussion on the approach to citizens' participation is pursued in 4.4 below.

4.4 Rationale and extent of involving stakeholders

Ironically, one of the most important consequences of South Africa's oppressive apartheid system was the creation of a strong, vibrant and highly mobilised civil society (Moodley, 2004: 78). Civic protests around collective consumption issues (rent, housing, transport) dominated the urban political arena in the 1980s. The local state became a contested terrain. Although the rent boycotts started as

protest movements, they soon provided the catalyst for civics to explore alternative local government structures which would transform the apartheid city (Maharaj, in Freund and Padaychee, 2002: 180). This represented the beginnings of a move towards a more democratic, non-racial local government.

Two major civic organisations, the Joint Rent Action Committee (JORAC) and the Durban Housing Action Committee (DHAC) were formed in the early 1980s, and were 'structured largely along racial lines because of the discrete geographical area and bureaucratic structures that Africans and Indians respectively operate within, and must therefore confront' (McCarthy, 1985, quoted by Maharaj, in Freund and Padaychee, 2002, 180).

JORAC mainly opposed the (then) Port Natal Administration Board on rent increases and the incorporation of these townships into the KwaZulu Bantustan. The DHAC was formed in response to the Durban City Council's decision to increase rents in public housing. As the DHAC's capacity to mobilize thousands of residents and the reality of a rent boycott became apparent, the Council was forced to negotiate. DHAC's pragmatism and willingness to negotiate with local officials and to participate in local structures and forums dispelled the local state's attempts to discredit it (ibid: 181).

Following the political currents of the 1980s and the intense struggles against an oppressive regime, organized groupings of youth, women, sports', civic and ratepayers' associations, religious organisations and other civil society formations found themselves redefining their role in a new and democratic post-1996 local government order (Moodley, 2004: 78). Many of these organs of civil society in the greater eThekweni area were engaging with and fostering partnerships with the then local entities that were established during the Interim Phase of local government.

The establishment of a single, unified eThekweni Municipality in December 2000, presented a unique window of opportunity to ensure a consistent and progressive approach to citizen participation across the metropolitan area. During this period (2002-2003) an unprecedented wave of citizen mobilisation and stakeholder participation swept through the city at a scale never before seen in the history of the council (ibid: 78).

In an attempt to articulate the experiences of the participation process in stakeholder mobilisation and participation in the eThekweni municipality, the author reflects on seven key questions (Moodley, 2004: 79-91):

- (1) Why should the municipality engage in stakeholder participation?
- (2) Who exactly should the municipality engage with?
- (3) Who should be responsible for stakeholder participation?
- (4) What issues should the municipality be engaging about?
- (5) How should the nature of stakeholder engagement be structured?
- (6) When and at what points should stakeholders be involved?
- (7) How important are workshop logistics in the participation process?

WESTERN CAPE

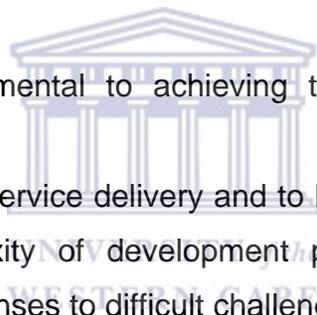
4.4.1 Why should the municipality engage in stakeholder participation?

The view that citizens themselves can best articulate their own needs, help improve ownership of processes and improve legitimacy of government projects are cited as important reasons for active citizen participation. At the same time, the delays, increased costs and the energy required in determining who to involve (given the complexities of local community dynamics) are often cited as factors mitigating against the active participation of stakeholders.

In the South African context, progressive national government legislation which now includes “communities” as part of the definition of local government, has effectively closed the debate on the merits and demerits of active citizen

participation. It is now a legislative imperative that citizens are actively involved in the governance process. This meant that citizens had to be involved in the process of planning, budgeting, implementing and reviewing not just the overall City Strategy, but for key city-wide and local community projects and programmes. In order to manage such a daunting process, the council committed itself institutionally by establishing a fully staffed Unit (the Community Participation and Action Support Department) dedicated to ensuring that this goal was achieved.

In adopting the new purpose statement for the eThekweni municipality, 'the active involvement of citizens is fundamental to achieving our outcome of improving people's quality of life' (Moodley. 2004: 81), defined the strategic aims of community participation as:

- 
- Participation was fundamental to achieving the Vision of the eThekweni municipality;
 - Improving the quality of service delivery and to help communities and groups understand the complexity of development problems and the need for devising integrated responses to difficult challenges;
 - Helping to see the bigger picture and to understand fully the need to prioritise;
 - Engendering a culture of taking responsibility; and
 - Breaking down the barriers of "us and them".

4.4.2 How should stakeholder engagement be structured?

Initially stakeholder engagement was based on organising workshops at various levels at critical points during the strategic planning process. For example, key stakeholders were invited, at the commencement of the process, to help shape the direction of the transformation process. Thereafter, engagement was conducted during the identification of community needs, determination of the budget and in finalising strategies as part of the draft strategy.

While this approach worked well from a methodological point of view in that it allowed for key inputs to be made at important stages in the planning process, in retrospect however, it was found that limiting organised participation to work-shopping key milestones, can often be disempowering to the stakeholders, especially if there are long lags between milestones.

In response to this problem, the approach was broadened to include the use of stakeholder work-shopping at the *geographic level*, i.e. community ward workshops (e.g. typical local stakeholders include civic and ratepayers' associations, Community Policing Forums, local sports' bodies, Ward Development Forums, etc) and the *sectoral level* engaging the key organisations that operate within the different sectors (NGOs, parastatals, business, labour, tertiary institutions, etc.) from across the city.

In addition to using organised workshops as a mechanism to ensure stakeholder engagement, members of the public were invited to submit their comments, criticisms and general inputs to the strategy team at any stage of the strategic planning process. This call was made by the Office of the City Manager using the newsletter posted on the official council website, the municipality's free public council magazine (which is posted to all electricity subscribers) and through notices posted at public libraries inviting public comment on the various versions of the City Strategy. At times during the process, the mainstream media were provided with press releases or invited to press conferences to ensure that they were equipped to convey the latest developments with regard to City Strategy development.

4.4.3 When and at what points should stakeholders be involved?

As explained above, the approach focused on engaging key stakeholders at critical milestones in the strategic planning process. In retrospect, it has to be

acknowledged that while every effort was made to ensure continued stakeholder participation, the process was not a sustained and even one. It was conceded that participation has been erratic and event-dependent (Moodley, 2004: 86). The effect was that during the lags between milestones, some stakeholders were not always in touch with the latest development or changes made in the strategy. As a result, when the next event was planned, some stakeholders felt “out of the loop” and even disempowered. The challenge remains for stakeholder partnerships to be consistently strong and effective.

4.4.4 What issues should the municipality should be engaging on?

Underpinning the debate about what role stakeholders should be playing in strategy and what matters of governance they should be engaged on, is a fundamental question about *who is responsible for decision-making*. Whilst it is acknowledged that the council is ultimately responsible for final decision-making through legislatively prescribed processes, the last three years of stakeholder engagement has refined and developed the municipality’s views in this regard.

In the first year of strategy-making the municipality held the view that councillors, officials and all stakeholders should sit together and jointly determine the solutions relating to the key development challenges facing the city. Referred to as the “blue sky” approach” (representing a clean canvas on which new ideas and even solutions are jointly developed) it was found that while this process was participatory, it did not yield solutions that were technically well thought through, given that they were generated through discussion and debates on the workshop floor (Moodley, 2004: 87). In addition, the process was highly time-consuming as all role-players were often eager to contribute to the debate.

It was reported that the stakeholders themselves also found such a process less productive and raised the question as to why officials did not investigate technical options and at least provide a framework within which informed discussion could

take place. As a result of this experience, a new approach was developed. This involved the strategy team developing a well-thought out strategic proposal that identifies the key issues of concern and incomplete solutions that could address the concerns. *The nature of stakeholder engagement was then to interrogate the proposals and attempt to develop more complete solutions to the key issues raised.*

4.4.5 Who exactly should the municipality engage with?

One of the greatest participation challenges was that related to the politics of representation (Moodley, 2004: 89). The question of who really represented the interests of communities, and hence who should be drawn into the participation process was complex. It became apparent that involving leadership from communities (defined both geographically and sectorally, e.g. religious, sporting, etc.) alone was not in itself adequate.

This trend of participation of local leadership exclusively, was replaced in the late 1990's as the concept of Development Forums gained prominence. This marked a move away from the traditional community leadership model to a sectoral interest group type of stakeholder engagement (Moodley, 2004: 89). The model that prevails currently includes consultative exercises with the 100 wards across the city in terms of the new demarcation arrangements.

It was reported that this approach does appear to be effective, particularly if accompanied with mass communication and publicity drives to ensure that the general public are informed and are made aware that they have representatives who are accountable for articulating their views and tabling their interests (ibid: 89).

4.4.6 Who should be responsible for citizen participation?

It was reported that there was a need for a dedicated team to drive the participation process (Moodley, 2004: 90). Such a team should have the full support and mandate of the city's strategic leadership and be empowered to design and organise an appropriate participation programme.

The experience has been the municipality drew capacity from internal staff from various departments who were also engaged with the work of their various line departments. This capacity was augmented by a team of community mobilisers contracted from the community. The community mobilisers were tasked with supporting the various structures from within the community and assisting Councillors in ensuring that all wards were fully informed of workshops.

Whilst the internal facilitators and community mobilisers were instrumental in liaising with the community, it was clear that in all instances the person accountable in these interactions, and indeed the person responsible for the chairing of all community workshops, was the councillor. Whilst teething problems were experienced in the early stages of the work-shopping process as mobilisers, facilitators and councillors were acclimatising themselves to their new roles, these were resolved, and sound partnerships were established (Moodley, 2004: 89).

The above detailed discussion on the local budget process was intended to set the stage for comparing eThekweni Municipality with other case studies cited in the literature. A comparative analysis of three case studies is pursued below.

4.5 Comparison of the eThekweni Municipality participatory budget process with other case studies cited in the literature

The three case studies cited in Chapter 3, Citizens' Participation in local governance and the budget, include the City of Brasov, Romania; the Nelson Mandela Metropolitan Municipality, South Africa; and the third, that of Porto Alegre, Brazil. The three sites were chosen for their developing level status, and found on the three continents of Europe, South America and Africa. The participatory process of the eThekweni municipality will be compared with that of the cities of Brasov and Porto Alegre.

The six factors of comparison consist of the following:

- (1) scale of citizen's participation;
- (2) focus area of the participatory processes;
- (3) subject of the participatory processes;
- (4) objectives or goals of the participatory processes;
- (5) initiators of the participatory processes; and
- (6) period covered during the participatory processes.

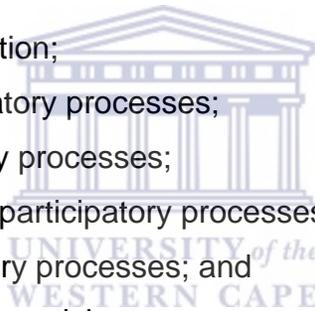


Table 4.1: Comparison of citizens' participation in the cities of Brasov, Romania; Porto Alegre, Brazil; and eThekweni Municipality, South Africa

Factor	Brasov	Porto Alegre	eThekweni
Scale	Small scale, urban	Large scale (50 000 people directly and indirectly involved in 1997; 70 other Brazilian cities (Latendresse, 1999: 2))	Large scale (100 wards), both urban and rural
Focus area	'Improving local government'	'reversing the priorities of public policy in favour the poor'	'a single, cyclical and holistic process moving from strategic and visionary statements of intent, through to a process that combined planning for development, through to implementation and evaluation'
Subject of participation	'Budget policy oriented to consuming, rather than capital investments'	Participatory budgeting through regional assemblies (twice a year); neighbourhood	strategic priority areas: <ul style="list-style-type: none"> ▪ Residential community support ▪ Business

		meetings; and thematic forums to set priorities	community support <ul style="list-style-type: none"> ▪ Strategic/ platform infrastructure ▪ Operations support
Objectives of participation	‘Prosperity of community by citizens involvement in budgeting’	New urban governance consisting of: <ul style="list-style-type: none"> ▪ city transformation and strengthening urban movement ▪ new structures and mechanisms for participatory budget ▪ new management tool for urban governance democratic learning (Latendresse, 1999: 6-12) 	<ul style="list-style-type: none"> ▪ Participation was fundamental to achieving the Vision of the eThekweni municipality ▪ Improving the quality of service delivery and to help communities and groups understand the complexity of development problems and the need for devising integrated responses to difficult

			<p>challenges</p> <ul style="list-style-type: none"> ▪ Helping to see the bigger picture and to understand fully the need to prioritise ▪ Engendering a culture of taking responsibility ▪ Breaking down the barriers of “us and them”
Initiators of participation	Mayor of Brasov	The Workers Party and new city government	National government; provincial government; and local government through the Constitution of SA; policy and legislative provisions
Period of participation	One year	Continuous	Long term development framework of 20 years and 3 year budget cycles

(Source: Own research)

4.6 Discussion

The genesis of the strategic planning model of the eThekweni Municipality was to be found in the Long Term Development Framework (LTDF). The LTDF basically identifies the key *long-term developmental challenges* which included: creating economic growth, jobs and income; meeting basic challenges; alleviating poverty; developing our people; managing the AIDS pandemic; ensuring a safe and secure environment; and striving for sustainability. These *long-term developmental challenges* then inform the *strategic planning model* which in turn, calls for citizens' participation to instrumentalise the strategic planning model towards the final ambitions of the long-term developmental goals.

The idea of comparing eThekweni Municipality to the Brasov and Porto Alegre case studies was to test local with international experience and to link the case studies to the conceptual and theoretical framework discussed in chapters 2 and 3.

4.6.1 Comparative analysis of the case studies

The comparison was made in terms of six factors, viz, scale of citizen's participation; focus area of the participatory processes; subject of the participatory processes; objectives or goals of the participatory processes; initiators of the participatory processes; and period covered during the participatory processes. The comparative analysis showed clearly that the Brasov case study appeared very limited when compared to Porto Alegre and eThekweni Municipality. Additionally, there was a distinct difference in scale when comparing the following factors of Brasov with both, Porto Alegre and eThekweni Municipality. In terms of the comparative factors, the following differences were found:

4.6.1.1 the number of participants involved in the participatory process of Brasov were much fewer (of 576 participants, 267 persons filled the questionnaire, see Chapter 3: 47), compared to the much larger numbers of citizens recorded for the Porto Alegre and eThekwini cases;

4.6.1.2 the method of participation was limited to a questionnaire and the formation of a citizens consulting committee in the Brasov case, whereas the participative processes were much more complex having longer the time-scales in the Porto Alegre and eThekwini cases;

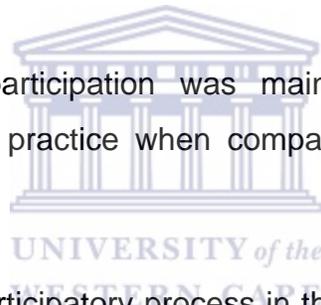
4.6.1.3 the subject of participation was limited to consumption issues in the Brasov case, whereas in the Porto Alegre and eThekwini cases, the issues were all encompassing and inclusive;

4.6.1.4 the objective of participation was mainly consultative rather than promoting deep democratic practice when compared to the Porto Alegre and eThekwini cases;

4.6.1.5 the initiator of the participatory process in the Brasov case was limited to the Mayor, whereas, in the Porto Alegre cases, the initiators were party political actors, elected government structures and constitutional provisions; and

4.6.1.6 the time scale of the participatory process was limited to a one year budget cycle in the Brasov case, rather than employing participation in the budget process as an instrument for long-term development as compared to the Porto Alegre and eThekwini cases.

Clearly, the Porto Alegre and eThekwini cases consist of complex participatory processes which encompassed developmental objectives. It can be seen that through the eThekwini Municipality, South Africa fairs comparatively well with



developing countries in the South. This finding is important for the sharing of experiences in the future.

4.6.2 Key conceptual framework and theoretical issues

The comparative analysis of the two case studies of Porto Alegre and the eThekweni Municipality, brings into focus important issues and questions in terms of the conceptual framework and theoretical issues discussed in Chapters 2 and 3. These issues and questions can be categorized as follows:

- historical experience and neo-liberalism;
- new political processes and spaces for participation; and
- expression for deliberative democratic practice by local citizens.

4.6.2.1 Historical experience and neo-liberalism: Both Brazil and South Africa were introduced to participation methods during periods of political transition. Being developing countries, the question is whether it was opportunistic that the successful implementation of participatory methods was dependent on periods of transition only? What was different in the experience of citizens' participation in developed countries? What are the prospects for other developing countries? More importantly, the concern is whether by adopting participatory methods, South Africa has simply succumbed to the forces of neo-liberalism?

4.6.2.2 New political processes and spaces for participation: In both the case studies of Brazil and South Africa, local government was shown to have become an important space for social dialogue and engagement for citizens' participation. This space has come to be emphasized as contributing to peoples' development through sustainable programmes. The question posed by this study is whether

development has been reduced to solely citizens' participation in local governance? What of the host of other considerations necessary for development which are normally raised by economists and social scientists?

4.6.2.3 **Expression for deliberative democratic practice by local citizens:**

The study showed a growing belief that electoral politics and representative democracy have become passive. Alternatively, there was a need for more inclusive and deliberative forms of engagement between citizen and state. The idea was to empower local citizens rather than remain passive receivers of services. The research also showed that citizens and their representative formations have expressed greater interest for participation in local governance as an answer to local development. However, development economists have always pointed out that social capital was one among other forms of capital, including finance capital, natural capital and intellectual capital, when brought together provided the necessary conditions for development (Moola, 1999). The question then posed by the study is whether deliberative democracy by itself addresses the necessary conditions for development?

These theoretical issues will be discussed in greater detail in the final chapter (Chapter 6) in order to highlight their links with the findings of the study.

4.7 Summary

Chapter 4 comprised of a comparative analysis of the South African, European and South American participatory budget processes at local level.

The budget process of the eThekweni Municipality was examined first, showing the genesis of the strategic budgeting process to be contained on the Long Term Development Framework. The important feature of the strategic budgeting process was the rationale and the extent of citizens' participation in the budget.

The comparative analysis of the three cases studies showed the strengths of the South African and South American models which were more complex and developmental in nature. This analysis could form the basis for more comprehensive sharing of experiences in the future. It could also form the basis for identifying ideological tendencies in the participatory discourse.



CHAPTER 5

STAKEHOLDER PERCEPTIONS OF CITIZENS' PARTICIPATION: MUNICIPAL COUNCILLORS AND CIVICS AND RATEPAYERS ORGANISATIONS

5.1 Introduction

Chapter 5 contains the analysis and interpretation of perceptions of the two important stakeholders in the eThekweni budget process, namely, municipal councillors and civics and ratepayer organisations.

The analysis commences with the presentation of demographic profile of the respondents which is assessed against the determination of a budget subject to competing and conflicting interests and needs.

The survey questionnaire was designed to test the following:

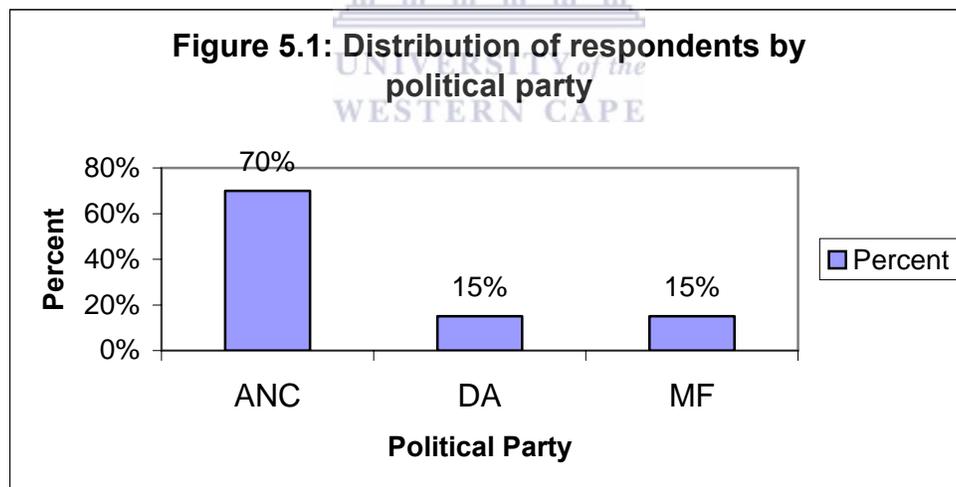
- the impact of participatory budgeting processes in enhancing the role of councillors and civics and ratepayer organizations;
- the benefit derived by councillors and civics and ratepayer organisations through citizens participation in the budgeting process at a ward level;
- service delivery issues that will be addressed through citizens participation;
- perceptions on the monitoring processes;
- attitudes towards the community having the power to veto a budget; and
- perceptions on the consultation process as legislated in the Municipal Finance Management Act, 2003.

5.2 Municipal councillors' perceptions of citizens' participation

This section focuses on the perceptions of eThekweni municipal councillors on citizens' participation in the local budget. The section profiles the councillors and proceeds to test perceptions on their involvement and the involvement of civics and ratepayer organisations in the local budget process.

5.2.1 Political affiliation of respondents

Figure 5.1 confirms the political landscape of the eThekweni Municipality. It will be noted that the city is constituted by a majority (70%) African National Congress (ANC) councillors. The remaining 30% is shared equally by the Democratic Alliance and the Minority Front (a mainly Indian-based political party). The absence of the Inkatha Freedom Party (IFP) from the sample is not atypical as this party enjoys strong political support in the rural parts of the province.



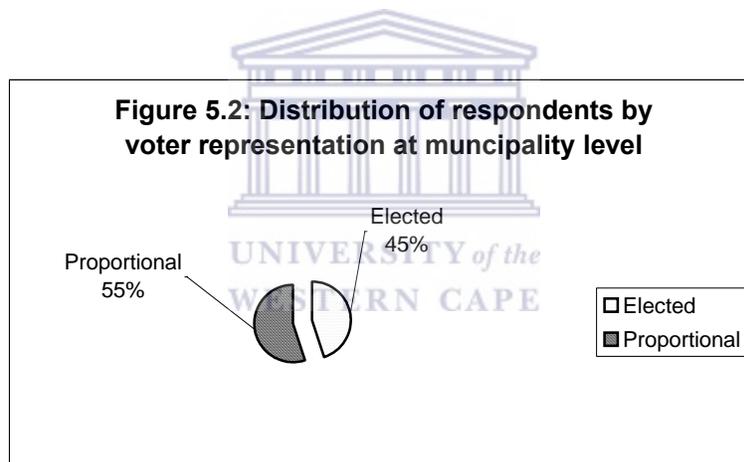
(Source: Own research)

Therefore, the sample distribution is reflective of the political profile of the city dominated by the ANC while at a provincial level the IFP enjoys greater political support. Nonetheless, the DA enjoys greatest support in the more affluent parts of the city with a large white support base. While the DA and the MF enjoy

primarily the support of White and Indians voters respectively, the ANC on the contrary enjoys greater racial representivity, albeit with overwhelmingly high impoverished areas with huge service delivery backlogs. Given the political profile of the city, competition for a fair slice of the budget is more than likely to be politically motivated, resulting in different levels of political polarization.

5.2.2 Nature of political representation within the municipality

The sample included 55% of proportional representatives and 45% of elected ward councillors as depicted in Figure 5.2. In the new dispensation, the eThekweni Municipality is constituted of 200 councillors of which one hundred are elected ward councillors and the remaining elected to represent political parties on the basis of proportional representation.



(Source: Own research)

A major impediment to participatory forms of democracy emanates on the ability of councillors appointed through proportional representation to serve a particular constituency. Not like their elected counterparts, there is no guarantee that those appointed on a proportional basis will in fact represent a constituency. A further scenario occurs during floor crossing. Floor crossing (www.wikipedia.org: 2002) is a controversial system under which Members of Parliament or Councillors may change political party and take their parliamentary or Council seats with them when they do so. It is only permitted at certain times of the year, for a certain

number of days. This system has been the source of much controversy, with many commentators arguing that it disenfranchises voters, by effectively allowing politicians to 'reallocate' votes as they see fit. Generally speaking, the ruling ANC has benefited the most from this system, but other parties have managed to gain seats this way.

5.2.3 Distribution of respondents by geographical area

The geographical distribution of respondents by political party is illustrated in Table 5.1. It will be noted that the sample distribution was spread to cover historically marginalized communities (Inanda/Amouti, KwaMashu, South Coast, Tongaat and Verulam), which under apartheid was administered by a fragmented local government system. As a result of the demarcation process that preceded the 2000 municipal elections, the surface of Durban Metropolitan Region (DMR), 2297 km², is 68% bigger than that of the previous Durban Metropolitan Area (DMA), 1366 km² (eThekweni Municipality: 2005). This expansion of the metropolitan area mainly consists of rural and semi rural areas.

Table 5.1: Distribution of respondents by political party affiliation and geographical area

Geographical area	Political affiliation of respondents			Total
	ANC	DA	MF	
Inanda/Amouti	3			4
Chatsworth	1		1	2
Pinetown	1			1
Durban Central	1			1
Kwa Mashu	1			1
Newlands			1	1
Phoenix	3	3	1	7
Tongaat	1			1
Verulam	1			1
South Coast	1			1
Total	14	3	3	20

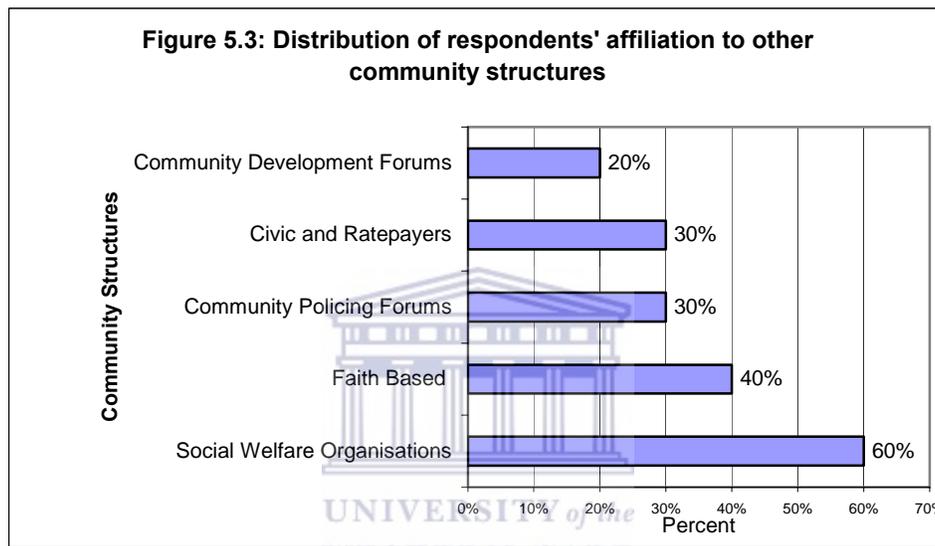
(Source: Own research)

This area stretches from Umkomaas in the south, (including some tribal area in Umbumbulu), to Tongaat in the north, (moving inland to some tribal area in Ndwedwe), and ends at Cato Ridge in the west. While the sample covers wards in four geographic directions and is representative of the three racial groups (Indians, Coloureds and Africans), whites do not feature in the sample, save for the Durban Central ward. Nonetheless, a deeper analysis of the expanded city's geographical areas consisting rural and semi-rural inhabitants has serious implications for demands that these constituencies will make on the city's participatory budget processes. This is likely to be more demanding considering the fact that these areas hardly contribute to the tax base of the city due to serious socio-economic difficulties. The fact that these areas were historically on the fringe of the city, means that participation in governance is also a relatively new encounter. Additionally, the metropolitan administration is grappling with a system of co-operative governance in tribal authority areas on matters of service delivery. It is evident from this analysis, that while certain parts of the city are in

readiness to embrace participatory processes, others are ill-prepared and in need of such orientation.

5.2.4 Respondents affiliation to other community structures

Figure 5.3 shows the participation of councillors in other community structures, other than being a councillor. Interestingly, their membership were not restricted to one community structure, but to a combination of community structures.

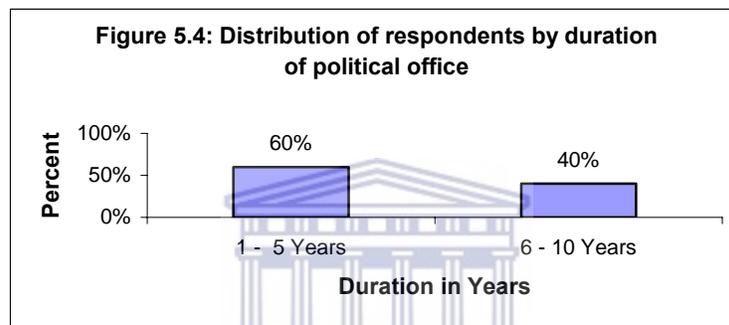


(Source; Own research)

However, the majority of councillors (60%) participated in social welfare organizations followed by 40% in faith-based organizations. The former sector is characterized by social problems (such as child and family welfare; substance abuse; health issues, etc.) and the latter by religious adherence. This finding suggests that a significant number of councillors draw their political support base more from welfare and religious sectors compared to civics and community development fora. This finding may also serve to confirm the movement of leadership from the civic and labour movements to political and administrative positions in government during the mid 1990s'.

5.2.5 Duration of political office held by councillors

Figure 5.4 illustrates that 60% of the councillors were in political office between 1-5 years and 40% for a longer duration (5 -10 years). This finding is significant as it suggests that a relatively young cohort of politicians represent citizens in the city. However, considering the fact that the country is eleven years into democracy and 60% of the councillors are only in office for half of that term raises the important question of political maturity in the different facets of participatory democracy.

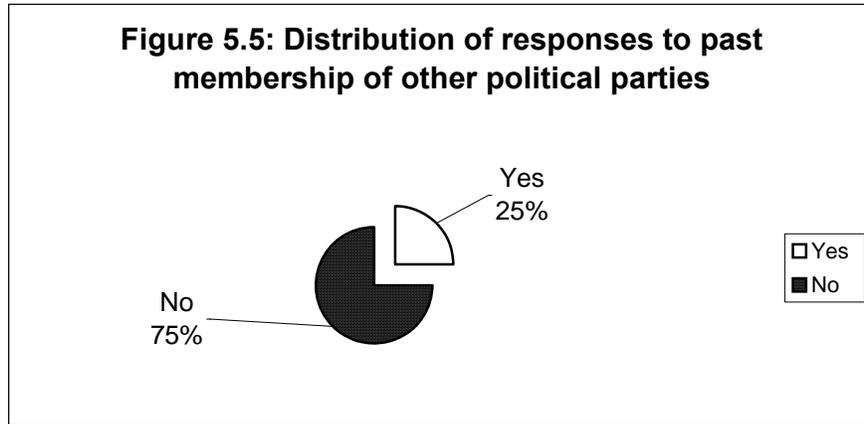


(Source: Own research)

It is probable however, that municipal officials will be more familiar with participatory aspects of public policy as this constitutes a fundamental part of their functions.

5.2.6 Membership to other political parties

Figure 5.5 illustrates that 25% of the respondents were members of other political parties previously, meaning that these respondents would have crossed party political floors during their term of political office.



(Source: Own research)

Once again this raises serious question about the extent to which councillors enjoy the support of their respective voter constituency. The issue of floor crossing in KwaZulu-Natal plagued both provincial and local governments in the past two years. This was due to the fact that the ANC tried to gain greater political control of the municipality and the province from the DA and IFP respectively. Floor crossing has had the negative effect of parliamentarians and councillors abandoning their constituencies throughout the country leaving even their supporters frustrated. How this trend will impact at local government level in the future is unclear.

5.2.7 Policy on citizen's participation

The findings show that all-political parties (100%) have a policy on citizen's participation. This is indeed phenomenal given that participatory politics in the eThekweni municipality was introduced in 2001. However, the indications outside of the sample and in the broader civil society movement may be very different.

5.2.8 Benefit of citizens' participation to councillors role

There was overwhelming (100%) unanimity amongst those councillors interviewed that citizens' participation in local government will help promote their

work as councillors. This indeed is a contradiction, when one considers the principles of participatory democracy. In order for citizens to participate, it is the councillor's responsibility to engage with them on a regular basis. For respondents to suggest that citizens' participation will benefit their role as councillors in itself suggest a lack of participation. The question arises as to who should initiate opportunities for participation? Ideally, councillors as leaders of their constituency are expected to take the lead in providing participatory opportunities.

5.2.9 Perceptions of citizens' participation in supporting ward committee

From Table 5.2 it will be noted that an overwhelmingly (80%) large number of respondents felt that citizens' participation in local government will assist in the work of ward committees as compared to 15% who did not perceive similarly. Whilst the majority view complements the findings in 4.2.8 above, the minority view is in need of some analysis. The discrepancy in response may mean that the councillors retain some prejudice with regard to the ward committees; or that citizens' participation is viewed as enhancing their role as councillors and therefore their political popularity. This assumption may be confirmed by the experience in the case study of Brasov in Chapter 3 (see 3.7.1) where *"Elected officials were found to be 'pretty' reluctant. Apparently they saw 'public participation as a tool for their political interests'."*

Table 5.2: Respondents perception of the effect of citizen’s participation in supporting the role of ward committees

Perception on the effects of citizens’ participation	%
It will help in the work of ward committees	80%
It will make no difference	15%
It will duplicate the work of the ward committee	0%
Not sure	5%
Total	100%

(Source: Own research)

Once again these findings raise the fundamental question as to whether councillors have a significant political support base.

5.2.10 Promotion of political party through citizens’ participation

As compared to the findings in Table 5.2 above, only 60% of the respondents felt that citizen’s participation would promote the work of their respective political parties.

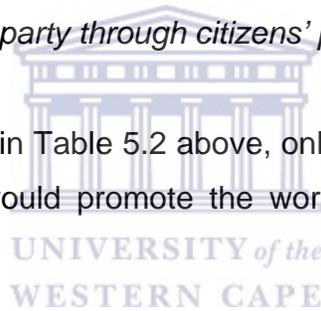


Table 5.3: Respondents perception on promoting political party through citizens’ participation

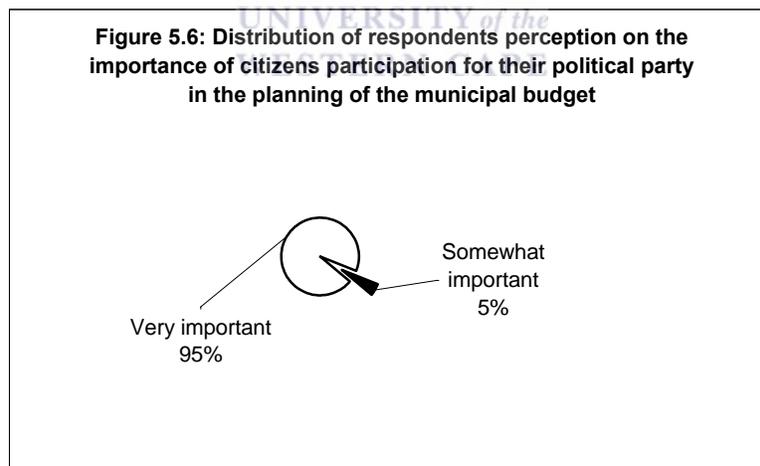
Perception on promoting political party through citizens’ participation	%
It will help in the work of my political party	60%
It will make no difference	35%
It will duplicate the work of the political party	0%
Not sure	5%
Total	100%

(Source: Own research)

This finding suggests that there is a perception amongst councillors that there is a greater level of participation at a political party level compared to the ward level. Considering the fact that ward committees are not fully established, this finding confirms a need to promote citizens participation at this level.

5.2.11 Perception on the importance of citizens' participation for their political party in the planning of the municipal budget

Figure 5.6 shows that 95% of respondents held the perception that citizens' participation in the planning of the municipal budget was very important for their political parties. This information is also interesting with regard to how councillors view citizens' participation benefiting them individually or their political parties. This may mean that councillors hold a narrow view of the institutional significance of citizens' participation in local government in general. It may appear that the benefits of citizens' participation are appropriated for individual and party political interests rather than enhancing local governance broadly.



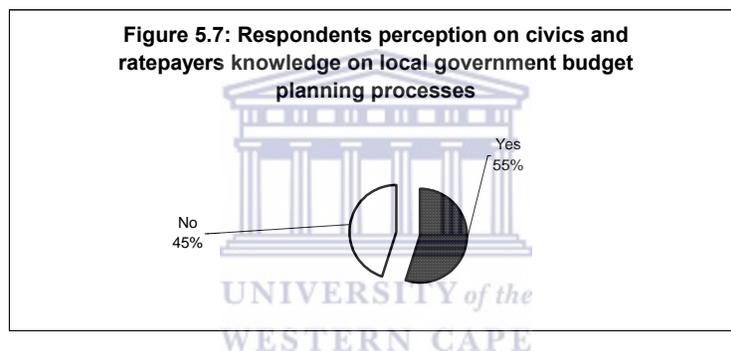
(Source: Own research)

In addition, it is noted that the councillors perceive the budget as an important source of power for the politically party. This finding is not atypical, considering the fact that politicians can draw enormous political power from their constituency

when there is physical evidence of some form of service. Therefore, budgets are central to service delivery and in return a source of political power.

5.2.12 Civics and ratepayers knowledge on local government budget planning processes

Figure 5.7 illustrates a divided confidence of councillors on the capacity of civics and ratepayers organisations with regard to knowledge on local government budget planning process. Less than half respondents (45%) indicated a negative response on civics and ratepayers organisations being knowledgeable of the local government budget planning process.



(Source: Own research)

However, 55% believe that civics and ratepayers organisations are knowledgeable of the local government budget planning process. This positive response may indicate an enthusiasm for citizens' participation in the local government budget planning process. The finding also suggests enormous capacity at local level waiting to be captured through participatory budgeting processes. On the other hand the finding also suggests that there is a need for capacity-building programmes so that participation is not skewed across the municipality. Considering the fact that historically communities on the peripheries have been excluded from participatory processes, this imbalance needs corrective action.

5.2.13 Ways of promoting participation in budgeting processes amongst civics and ratepayers organization

From Table 5.4 it is evident that councillors do not have firm thoughts on ways of empowering civic and ratepayer’s organizations in participating in the budget planning processes. A no response of 60% suggests that councillors have no particular course of action to propose in this regard.

Table 5.4: Respondents perception on ways of empowering civics and ratepayers’ organizations in participating in the budget planning processes

Ways to empower civic and ratepayers organizations to participate in budget in planning processes	%
Their organisation must train interested individuals themselves	0%
The municipality must train interested individuals	5%
Municipality in partnership with civic and ratepayers organisations must train interested individuals	35%
Another institution must be commissioned to train interested individuals	0%
No response	60%
Total	100%

(Source: Own research)

However, 35% of the respondents felt that the municipality in partnership with civics and ratepayer organisations should be responsible for training whist a small minority (5%) felt it was the sole responsibility of the municipality to do so. The fact that such a large number of no response was recorded in the study, suggests that councillors themselves are not fully aware of who is responsible for the promotion of capacity development programmes for participatory forms of governance. Considering the fact that many councillors are relatively new in political office may also reinforce their level of ignorance on the roles and responsibility of local government in the promotion of citizens’ participation.

5.2.14 Issues that would be addressed through citizen's participation

Respondents rating of issues that would be addressed through citizens' participation are depicted in Table 5.5. It is noted that with the exception of sewerage, refuse removal and provision of municipal newspapers, all other municipal services have received a rating level ranging from 80 to 100%. Broadly these findings suggests an agreement amongst respondents that citizen's need to participate in the budgeting on nearly all aspects of local service delivery.

Table 5.5: Distribution of respondents rating of issues that would be addressed by citizens' participation.

Municipal services	Very important	Somewhat important	Least important
Rent	95%	5%	0%
Rates	100%	0%	0%
Water	100%	0%	0%
Electricity	100%	0%	0%
Roads and pavements	80%	15%	5%
Sewerage	75%	20%	5%
Refuse removal	75%	15%	10%
Cleaning and grass cutting	85%	10%	5%
Municipal newspapers	45%	45%	10%
Job creation	95%	5%	0%
Local economic development	95%	5%	0%
Poverty alleviation	95%	5%	0%
Safety and security	100%	0%	0%

(Source: Own research)

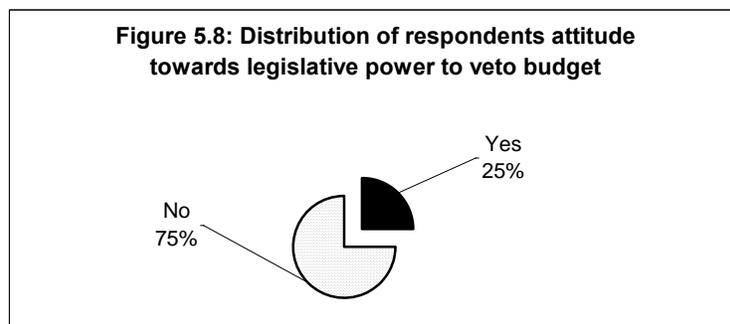
Respondents also added a further list of concerns (in no order of priority): namely, health, health education, illegal dumping, skills development, social welfare, youth and recreation to form part of the budgeting process. (HIV and AIDS was never mentioned.)

5.2.15 Support monitoring process

There was unanimity in response (100%) to support the monitoring process of the implementation of the local budget by civics and ratepayer organizations. This response is encouraging especially in light of the fact that councillors are positively disposed to community organizations sharing in an area (budgets), which is an immense source of power for them. The strength of support for monitoring the implementation of the budget was 60% in favour of it being most important and 40% as very important.

5.2.16 Attitude towards legislative power to veto the budget

Contradictory responses were received on whether civics and ratepayers organizations should have legislative power to veto the budget with 75% of the respondents against as compared to 25% in favour as depicted in Figure 5.8. It would appear that as much as councillors would like community organizations to share in the responsibility of monitoring the budget implementation process, they were not prepared to share fully in the final decision of approving the budget.



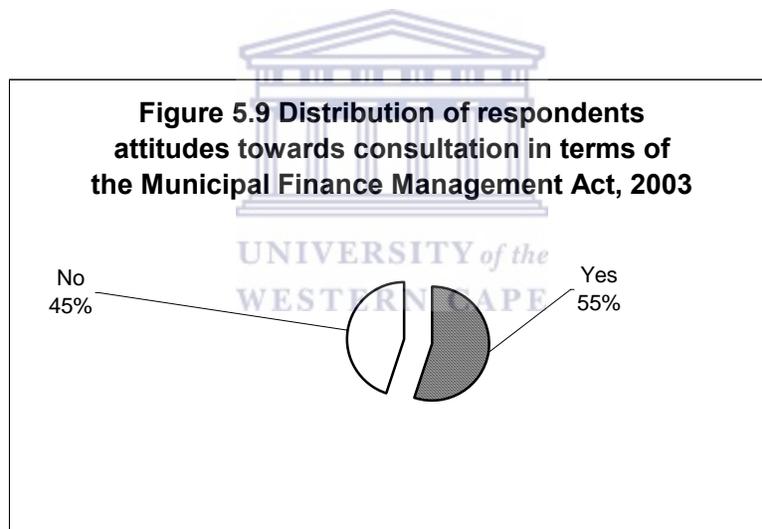
(Source: Own research)

From this finding it is evident, that councillors are prepared to share responsibility on the budgeting process to a limited extent. It would appear they would like to maintain authority on final decisions on budgets and would like to reserve this

role for themselves. Once again, this finding highlights that the budgeting process is a source of power for councillors.

5.2.17 Attitudes towards consultation in terms of the Municipal Finance Management Act, 2003

Respondent's attitudes towards the extent of consultation on participatory forms of budgeting in terms of Municipal Finance Management Act (2003) elicited contradictory findings as illustrated in Figure 5.9. A total of 55% of respondents viewed consultation as sufficient as stipulated in the Municipal Finance Management Act (2003) whereas 45% of respondents viewed consultation as insufficient.



(Source: Own research)

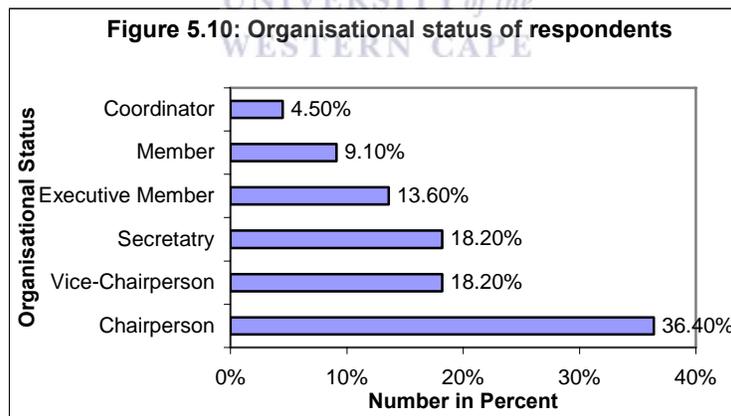
This information poses important political and policy questions with regard to citizens' participation in the local budget process. The finding suggests that the consultation processes could be a point of contention among councillors.

5.3 Civics and ratepayers organisation’s perceptions of citizens’ participation

This section focuses on the perceptions of civics and ratepayer organisations operating in the eThekweni municipal area on citizens’ participation in the local budget. The section profiles the civics and ratepayer organisations and proceeds to test perceptions on the involvement of civics and ratepayer organisations in the local budget process.

5.3.1 Organisational status of respondents

The respondents to the civics and ratepayers organizations in the study consisted majority (36%) chairpersons followed by vice-chairpersons (18.2%), secretaries (18.25), member of executive committee (13.6%), members (9.1%) and co-ordinators (4.5%).



(Source: own research)

It will be noted from the profile of statuses of respondents, all of them were qualified to inform the study.

5.3.2 Primary aim of organizations

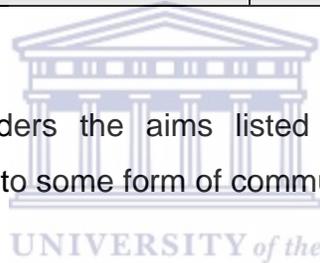
The specific aims of organizations varied with 41% committed to community upliftment programmes. The other aim of promoting civic awareness and resolving community problems were divided equally into 22.7% each, followed by 13.6% respondents citing service delivery

Table 5.6: Distribution of aims of organisations

Aims	%
Community upliftment	41.0%
Service delivery	13.6%
Promote civic awareness	22.7%
Resolve community problems	22.7%
Total	100%

(Source: Own research)

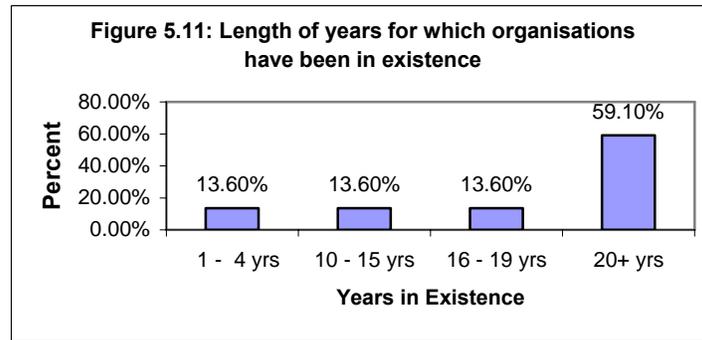
However, when one considers the aims listed in Table 5.6, generally all organizations are committed to some form of community development objective.



5.3.3 Duration for which organisations have been in existence

A large majority (59.1%) of respondents indicated that their organisations were in existence for 20 years and over. This finding has important implications regarding the changing roles of community organisations since apartheid and the current challenges under the new democratic dispensation. Just as the role of international anti-apartheid organisations changed if not ceased after 1994, civics and ratepayer organisations also face the challenge for change. It could mean that civics and ratepayer organisations would adopt 'softer' methods of negotiations such as social dialogue and engagement in the matters that concern them. Civics and ratepayer organisations face a further challenge from the new role players who have appeared on the civic scene with competing and at times conflicting interests. Informal settlements, informal traders, refugee groupings

and other forms of social movements (Landless peoples movements, anti- eviction groupings, and anti-privatisation campaigners) are now asserting their stake on matters relating to urban space and governance in the country. At times they clash on the space of old civic movements.



(Source: Own research)

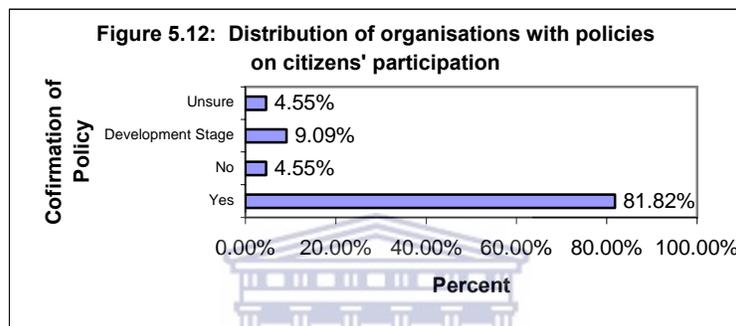
The finding also suggests that individuals within organizations with twenty and more years of existence reflect a valuable pool of skills, strengths and capacities which can enhance the participatory landscape in this new political and service delivery environment. Additionally, a significant number of organizations (13.6%) are in existence for 1-4 years. This finding confirms that communities see the need for representation in the new democracy, thereby confirming the need for more deliberative democracy.

5.3.4 Organisational support for participation in local government

All respondents (100%) in the study support participation in local government processes irrespective of the period in which they have been in existence. This finding suggests that the community sees the need for participation through organizational representation.

5.3.5 Policy on citizens' participation

As illustrated in Figure 5.12, 81.82% of organizations have policies on citizens' participation in place whilst 9.09% were in the process of developing one and 4.55% were unsure whether one existed. Only 4.55% of the organizations did not have a policy on citizen's participation. The finding suggests that a vast number of organizations have geared themselves to participate at a local government level.



(Source: Own research)

5.3.6 Nature of organisational representation before 1998

The most common forms of representations before the Municipal Systems Act (1998) was enforced are contained in Table 5.7 below. These include letters and memoranda to municipal departments (72.7%) followed by delegations to municipal departments (68.2%). More radical forms of representations included marches in local areas (60%), demonstrations at municipal buildings (32%), marches to offices of councillors (23%), and sit-ins (23%).

Table 5.7: Distribution of representation made by organizations before 1998

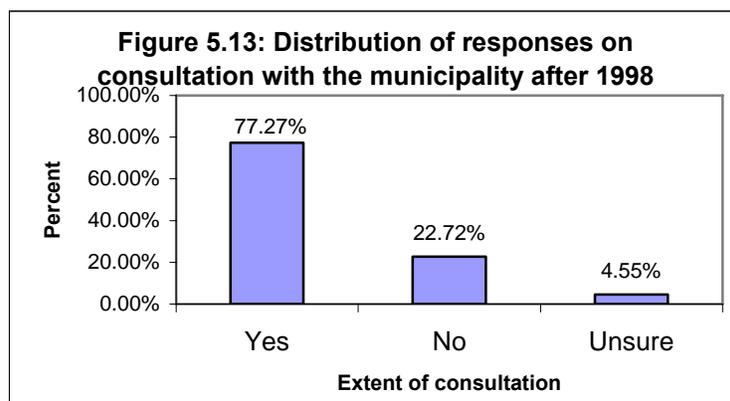
Type of representation	%
Letters and memoranda to municipal departments	72.7%
Delegations to the municipal departments	68.2%
Delegations to the mayor	36.4%
Meetings with senior administrators at the municipality	41.0%
Demonstrations at the municipal buildings	32.0%
Marches in local areas	60.0%
Marches to offices of Councillors	23.0%
Sit-ins	23.0%
Through affiliation to an umbrella body	36.4%
Court actions	4.5%
Other: Specify	0%
Unsure	0%

(Source: Own research)

Other community engagement with municipal authorities included delegations to the Mayor (36.4%) and meeting with senior administrators of the municipality (41%). Some community structures were represented through their affiliation to other umbrella bodies (36.4%) whilst others engaged in court proceedings (4.5%) indicating their will to secure rights.

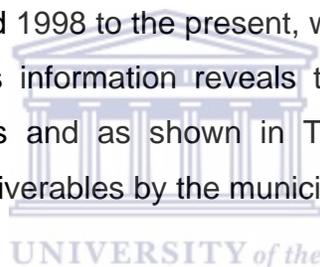
The representations and actions made by civic and ratepayer's organisations before 1998 show a vibrancy and community solidarity in local areas. The high level of representation and actions by communities may have been caused by the historic dis/order of apartheid, but since these actions continued up to 1998, it means that communities still had a need for voice; that communities still had issues well into the transition period.

5.3.7 Distribution of responses on consultation with the municipality after 1998



(Source: Own research)

Figure 5.13 shows that communities were very much engaged with the municipality during the period 1998 to the present, with 77.27% affirming different forms of consultations. This information reveals that communities still had to resolve several local issues and as shown in Table 5.8 below. The issues consisted mainly of basic deliverables by the municipality.



5.3.8 Distribution of issues consulted by the municipality after 1998

Table 5.8: Distribution of issues consulted by the municipality after 1998

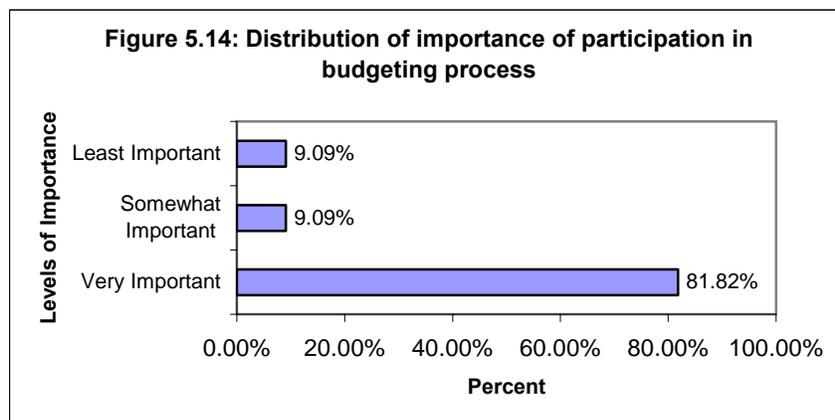
Issues consulted on	%
Basic service delivery matters	31.81%
Road/traffic/public transport	27.29%
Housing issues	22.72%
IDP	9.09%
Budget	9.09%
Total	100%

(Source: Own research)

Table 5.8 clearly shows that communities were still struggling for basic deliverables such service delivery matters (31.81%), road/traffic/public transport (27.29%), and housing issues (22.72%).

At a policy level however, with regards to the Integrated Development Planning process and the local budget, the table shows a minimalist level of consultation with communities; 9.09% for the IDP process and a similar percentage for the local budget process. The low level of consultation can be explained as function of the transition process in local government in South Africa in general. Since the last local government elections in 2000, local government transition was in the third phase of transition which consisted of the consolidation of district councils and unities. Many municipalities may not have had adequate space to develop policies around important issues such as citizens' participation. It is possible that this process may be further delayed as result of the forthcoming local government elections in 2006.

5.3.9 Distribution of importance of participation in local budgeting process



(Source: Own research)

Figure 5.14 clearly demonstrates the will and seriousness by civics and ratepayers organisations to participate in the local budget process. The majority of 81.82% viewed their participation in the local budget process as very important.

5.3.10 Proposed participation in the municipal budgeting process

There was a 100% response rate that all organizations propose to participate in the local budget process in the foreseeable future.

5.3.11 Skills necessary to participate effectively in the local budget planning process

A total of 95.5% respondents indicated that they have the necessary skills to participate effectively in the local budget planning process compared to 4.5% who did not. This level of preparedness and capacity may either be ascribed to the length of existence of the civics and ratepayer organisations as demonstrated earlier, or they may be exerting a confidence to articulate just the needs of their local areas rather than having a quality of mind for the bigger picture of the participative process.

5.3.12 *Distribution of respondents' attitude towards issues addressed by the organizations participation in the budget process*

Table 5.9: Distribution of respondents' attitude towards issues addressed by the organizations participation in the budget process

Municipal service	Very important	Somewhat important	Least important
Rent	36.4%	9.1%	57.5%
Rates	86.4%	0	13.6%
Water	81.8%	4.5%	13.6%
Electricity	81.8%	0	18.2%
Roads and pavements	81.8%	9.1%	9.1%
Sewerage	81.8%	9.1%	13.6%
Refuse removal	72.7%	4.5%	22.7%
Cleaning and grass cutting	77.3%	9.1%	13.6%
Municipal newspapers	50.0%	22.7%	27.3%
Job creation	81.8%	9.1%	9.1%
Local economic development	81.8%	9.1%	9.1%
Poverty alleviation	86.4%	4.5%	9.1%
Safety and security	90.9%	9.1%	0

(Source: Own research)

Table 5.9 shows the high level of expectation on the part of civics and ratepayers organisations that local concerns would be addressed through the local budget process. The table also shows the priority rating of issues in local areas where safety and security was the highest priority (90.9%), followed once again by the concern for social and economic development, including the equal concern for job creation (81.8%), local economic development (81.8%), and poverty alleviation (86.4%).

There was more or less equal concern for the delivery of basic services, including, rates (86.4%), water (81.8%), electricity (81.8%), roads and pavements (81.8%), and sewerage (81.8%).

In terms of the local green issues, respondents were concerned about refuse removal (72.7%) and cleaning and grass cutting (77.7%).

The least of the respondents' concern was municipal newspapers with just 50% showing an interest in media information.

The above analysis applies for the total sample population and reveals trends around local issues. However, the analysis does not link specific local areas with their unique issues. Such an analysis would reveal the different levels of spatial development across the municipal area.

5.3.13 Distribution of net effect of participation by respondents on the local budget process



Table 5.10 Distribution of net effect of participation by respondents on the local budget process

Effect of Participation	Most important	Somewhat important	Very important	Total
Introduce basic services	45.5%	31.5%	22.7%	100%
Maintain existing service levels but improve quality	54.5%	9.1%	36.4%	100%
Increase service levels	40.9%	13.6%	45.5%	100%
Unsure	0	0	0	0

(Source: Own research)

Table 5.10 shows that 54.5% of respondents perceived that the net effect of their participation will have an impact on maintaining existing service levels but with improved quality as most important. It would appear that this category of response is characteristic of only certain local areas surveyed. These areas are however not identified by the research, but it can be assumed that these local

areas can be described as 'better off' than others. For example, former African township areas may compare poorly to former Indian social housing areas.

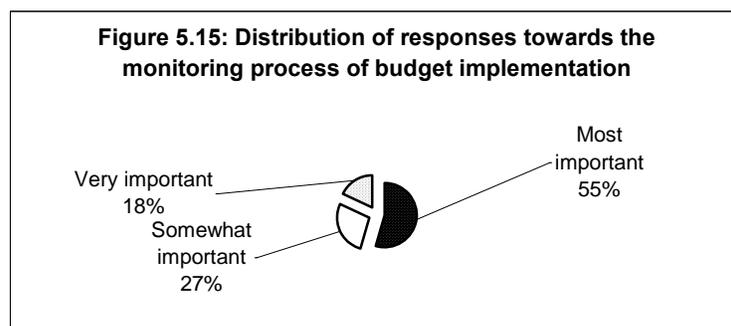
It is clear that about half the respondents (45.5%) still have basic service demands meaning that the municipality will still be pressured for basic service delivery where they are not present. The municipality is also faced with the demand to increase service levels as show in the table. 40.9% respondents rated as most important the need to increase service levels and 45.5% respondents rated increased service levels as very important.

While the analysis does not once again link local areas with their specific demands, it is possible that the wards committee system would reveal the needs of local areas in future planning activities.

5.3.14 Organisational support for monitoring the local budget implementation

All respondents (100%) confirmed that they and their organization will support a monitoring process of the implementation of the local budget. The degree of importance for monitoring local budget implementation is shown in Figure 5.15 below.

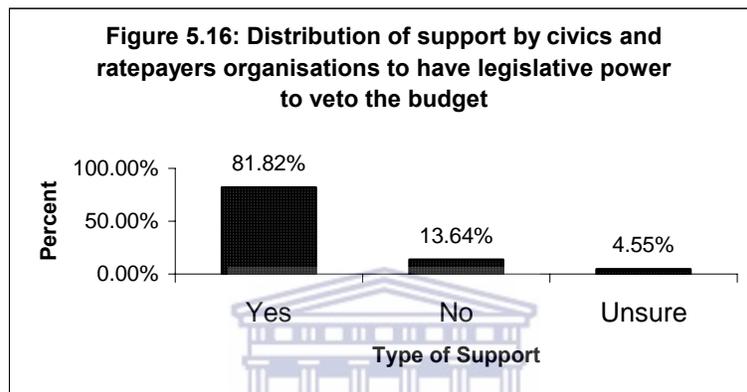
5.3.15 Distribution of responses towards the monitoring process of budget implementation



(Source: Own research)

A significant proportion of respondents, i.e. 55% rated the monitoring of the budget process as most important, indicating both, their concern for good governance and interest for the participative process.

5.3.16 Distribution of support by civics and ratepayers organisations to have legislative power to veto the budget



(Source: Own Research)

The overwhelming majority of 81.82% of respondents affirmed their support for civics and ratepayers organisations to have legislative power to veto the budget, while 13.64% did not. This trend indicates the high level of importance attached to the local budget process. There appears to be a clear conceptual link between the local budget process and local service delivery.

5.3.17 *Distribution of respondent's views on consultation in respect of municipal budget*

Table 5.11: Distribution of respondent's views on consultation in respect of municipal budget

Views on consulting with communities on annual budgets	%
Consultation is sufficient	18.18%
Consultation is not sufficient	68.18%
Unsure	13.64%
Total	100%

(Source: Own research)

In terms of the Municipal Finance Management Act 2003, Section 23, it is legislated that the municipal council must consult the community on the annual tabled budget. Respondents were tested on their views about this consultation without providing a definition or conceptualization of consultation or the consultation process.

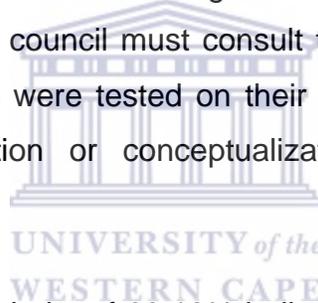


Table 5.11 shows a clear majority of 68.18% believing that consultation was not sufficient, while 18.18% upheld the contrary view that consultation was sufficient. A significant proportion (13.64%) of respondents was unsure indicating that they may not be familiar with the intricacies of the local budget process.

This information is significant for both the local municipality and civics and ratepayers organisations in the eThekweni municipal. The questions hereunder may have short-term and long-term relevance:

- Do civics and ratepayers organisations actually reject the concept of consultation on the local budget in favour of more substantive processes?

- What is the distribution and levels of understanding of participation in the local budget process by the civics and ratepayers organisations in the eThekwini municipality?
- What further steps are required by the eThekwini municipality to ensure that it meets its legislative mandate on community participation in the local budget?

The findings of the empirical study, speak to two of the objectives set out in Chapter 1 (see 1.2.2) viz, the comparison of international case studies with the eThekwini Municipality and the perceptions of councillors and civics and ratepayer organisations on citizens' participation in the local budget. The connection of the findings made above to the objectives just mentioned is discussed in detail below.

5.4 Discussion of findings

The discussion below is pursued in three parts, namely, the outcomes of the eThekwini Municipality's and Porto Alegre's consultative process; the perceptions of councillors of citizens' participation; and the perceptions of civics and ratepayers organisations of citizens' participation.

5.4.1 Outcomes of eThekwini Municipality's and Porto Alegre's participatory processes

The eThekwini municipality began its new strategic framework (visioning) process after the elections of December 5, 2000. Two hundred councillors and fifty senior municipal officials were responsible for drafting the Long Term Development Framework (LTDF). The LTDF sets out the eThekwini municipality's development challenges that are needed to be addressed both in the short and longer term.

The above process staged the policy framework for citizens' participation in decision-making at the eThekweni municipality. It also marked the commitment of the eThekweni municipality to realize its purpose statement:

"The purpose of Durban Metro Unicity Council is to facilitate and ensure the provision of infrastructure, services and support, thereby creating an enabling environment for all citizens to utilise their full potential and access opportunities, which enable them to contribute towards a vibrant and sustainable economy with full employment, and thus create a better quality of life for all" (Durban Unicity, 2002: 6).

The LTDF noted that it was evident that the role of local government could not be its traditional one of merely providing physical, social, and economic services and infrastructure. Using the Municipal Systems Act as its point of departure the LTDF envisaged that communities would be integrally involved in the strategic planning process. This process involved the consultation of communities through consultative workshops with wards structures and other stakeholders such as business, NGOs, and religious bodies.

The key issues of consultation included local needs prioritization and the allocation of funds in the operational and capital budgets with the assistance of the Strategic Spatial Development Plan developed at an earlier stage by municipal officials.

The next stage, branded as the "Big Mama 2" Budget Workshop, was held on 4 May 2002. The participants who had met earlier and endorsed the transformation process (Big Mama Workshop, November 2001), gathered once again to participate in the endorsement of the budgeting allocations. During this workshop, changes were made to the proposed budget allocation. An important milestone for communities was achieved when the actual budget allocation proposed by EXCO and the SMT in the residential community support block sum was increased. This second Big Mama workshop was a demonstration that citizens had a real say in the way their council's budget would be allocated.

The final stage was the beginning of the operational level process which required the efforts of a range of stakeholders. At the community level, by using the needs assessment data collected previously, community organisations, councillors and officials prioritised projects and programmes to maximise the impact of the available funds. This stage marked a highly interactive process between and among the citizens, elected politicians and the administration who collaboratively determined the nature of local projects.

However, since the strategic planning process of 2001 and workshops of 2002 there is no systematic track of either programme implementation or programme evaluation. The municipality is yet to assess its strategy and conduct the legislatively required Annual Review of Integrated Development Plans. Therefore it is not possible to draw firm conclusions of the participative process at this stage. This subject could be the source of another research study.

However, the Porto Alegre case study, in comparison, (Chapter 3: 3.7.3) was able to show measurable, outstanding results (Latendresse, 1999: 14). The participatory budget process impacted on living conditions in the following ways:

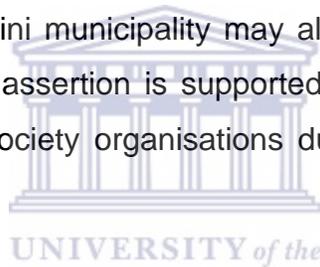
- Improving the quality of life;
- Projects chosen by the participatory budget were able to secure large amounts of investment capital for urban infrastructure, education and improved living conditions; and
- The mechanisms helped attenuate disparities between poor neighbourhoods and the well-off ones, ensuring better distribution of resources.

The participatory budget process also helped strengthen civil society in the following ways:

- By providing an active role for civil society in the participatory budget;

- Mobilising the poorly organized neighbourhoods;
- Neighbourhoods dominated by traditional leaders accustomed to the system of patronage were changed;
- On the whole it was found that the participatory budget had a direct positive effect on the organisational capacity of neighbourhood associations as well the training of new activists;
- The process contributed towards the opportunity for local citizenship where residents had direct experience in the management of public affairs which was no longer the preserve of elected officials; and
- The opportunity was created for the employment of a new value system that included transparency, accountability and respect for democracy.

If a longer time scale and an assessment of planning process, including the IDP, are allowed for, the eThekweni municipality may also display similar impressive developmental results. This assertion is supported by the research as well the successes gained by civil society organisations during and after the apartheid periods.



5.4.2 Perceptions of councillors of citizens' participation

The research has shown that while councillors may lack adequate experience to engage effectively in the participatory process (see Chapter 5: 5.3) they indicated overall support for it. It was apparent that councillors believed that the participatory process would bring popular support for themselves and their political parties. In another instance, councillors indicated that citizens' participation would benefit ward committees but did not understand that they were central to co-ordinating the participatory process in their wards. Some of this confusion, however, could be ascribed to the fact some councillors were inexperienced by virtue of being newly elected and some did not belong to constituencies due to being proportional representatives on the municipal

council. Some of the other critical shortcomings of councillors were demonstrated by:

- Holding membership of social welfare and religious organisations which did not avail them with capacity for political and civic engagement; and
- The tendency to cross political parties resulting in abandonment of their constituencies.

These shortcomings of councillors will have implications on the ground when participative processes need to take-off. The show of overwhelming support for citizens' participation and indicating that citizens' participation would assist them as councillors, their political parties and the ward committees was contradictory. In each of the instances, the test was about how to legitimize the participatory processes and to establish the roles of the different stakeholders. In each instance, the councillors put political support and power as gains through the participatory process, disregarding completely the tenets of deliberative democracy. But this confusion is not atypical since the councillors may have a better understanding of representative democracy and their role therein, compared to the requirements of deliberative democracy. This finding indicates capacity building on the part of the affected councillors. It also suggests that consultation processes are not evenly distributed within the metropolis.

While showing overall support for citizens' participation, the councillors indicated divided confidence that civics and ratepayers organisations had the knowledge and ability for the participatory processes. Believing that they as councillors were closest to the machinery of the municipality, they did not place much importance for the history, experience and lengthy periods of existence of many civics and ratepayers organisations. This finding indicates that many councillors did not have an appreciation for the capabilities of civic and ratepayer movement in the participative process and may pose a potential conflict factor in later stages of the participative process.

A further explanation for councillors disregarding the value of civics and ratepayer organisations may be that many of them were former activists who now perceive civil society as challenging their authority and political status.

Finally, while indicating 100% support for monitoring of the budget process by civics and ratepayer organisations, the overwhelming majority of councillors did not support them having legislative veto power over the budget process. Additionally, a large majority felt that 'consultation' with the civics and ratepayer organisations as set out in the Municipal Finance Act was sufficient. This finding poses important political and policy questions with regard to citizens' participation in the local budget process. In one sense the finding is a clear indicator of the power relations between councillors and the civics and ratepayer organisations being played out through the local budget process.

5.4.3 Perceptions of civics and ratepayers organisations of citizens' participation

The research showed that the civics and ratepayers organisations surveyed were historically development centered. Their engagement with local governance matters was dominated by community upliftment programmes, promoting civic awareness, and resolving community and service delivery issues. A large majority indicated that they existed for over 20 years thereby bringing a particular quality to the participative process. It would appear that civics and ratepayer organisations can be distinctive and effective in the participatory process. This finding also raises important political and policy questions in the debate between representative and deliberative democracy.

In indicating 100% support for the participative process, the civics and ratepayer organisations bring the following strengths to the participative process:

- Majority civics and ratepayer organisations have policies on participation in local governance meaning that they have a meaningful understanding of the new local governance dispensation;
- Civics and ratepayer organisations have substantive experience before and after apartheid at engaging the local municipality on a range of matters using different approaches and strategies;
- Civics and ratepayer organisations ascribe much importance to the budget process and their participation therein would enhancing delivery and thereby contributing to development;
- Civics and ratepayer organisations believe that they have members who have the necessary capacity and skills to participate in the budget process; and
- Civics and ratepayer organisations envisage being involved in monitoring the implementation process.

Whereas the overwhelming majority of civics and ratepayers organisations support the legislative provision to veto the budget, and whereas, they view the notion of 'consultation' as set out in the Municipal Finance Management Act as 'insufficient', the finding does not indicate a rejection of the participatory process. Given the limitations, civics and ratepayer organisations appear keenly willing to engage in the new participatory spaces in local governance.

5.5 Summary

Chapter 5 consisted of the analysis of the perceptions of councillors and civic and ratepayer organizations on the participatory budgeting processes within the eThekweni Municipality.

In the case of the councillors, while they supported the participatory process, they appeared to lack an understanding of the difference in representative and deliberative democratic practice and viewed participation as an opportunity to gain power for themselves and their political parties.

While councillors fully supported the monitoring of the budget process by civics and ratepayer organisations, however, with regard to the important issue of whether civics should have legislative power to veto the local budget, councillors were not prepared to afford them this privilege.

The civics and ratepayer organisations on the other hand, showed strong support and desire to be part of the participatory process. Their underlying motivation appeared to be the opportunity for redistribution of public goods and services and development. There was no particular indication that they wished to compete for scarce resources for their own local areas and needs, rather, their engagement appeared to be distributed across the municipality based upon strategic planning.

CHAPTER 6

TOWARDS EFFECTIVE CITIZENS' PARTICIPATION IN THE LOCAL BUDGET PROCESS

6.1 Introduction

The study showed evidence that citizen participation in governance is a common feature in the continents of Asia, Africa, the Americas, and in Europe. Citizens' participation and partnerships with civil society are also dominant themes in the gamut of development theories. Participation theory also appears to be gaining ground as a field of study.

In South Africa, the local state, consisting of 284 municipalities, are tasked with providing basic services to all communities in a democratic, accountable and sustainable manner. In broad terms, the local state is mandated to structure and effectively manage municipal administration; to budget and plan in a consultative and transparent manner; and to prioritise the basic needs of the community as well as promote local economic development.

In order to ensure that the above duties are satisfactorily met, the Constitution of South African and other legislation confers the above responsibilities upon the local state and civil society. This study affirms the role of civil society as represented by civics and ratepayers organisations in the planning, implementation and monitoring of the delivery activities of municipalities. The study also confirms that real participatory democracy is realizable when all stakeholders commit to their respective mandates. Therefore when communities, residents and their representative organisations engage their municipalities in its financial management by, for example, asking questions, making suggestions,

monitoring spending, and by a host of other ways, a new vista is possible for people living in a municipal area to feel the benefits of participation.

Essentially the new local governance ethos calls for a new working relationship between the local state and the community. Being able to satisfactorily deliver to the community requires competent, efficient, transparent and accountable planning, budgeting and management on the part of the municipality. Likewise, ensuring that the municipality fulfills its mandate requires the active participation and monitoring of the local community.

However, while the study cannot generalize for the whole of South Africa, the empirical study supported by international case studies show that there are certain realities to be faced and that the participative environment must still be canonized. A culture of participation still needs to take root on the part of municipalities, with particular reference to officials and councillors. On the side of communities, there appears to be uneven development and capacity depending on area, historical experience, class and so on.

The conclusions of the study therefore provides an important reference point for assessing the state of preparedness for citizens' participation as well as serving the initial ground work for sharing the lessons of international experience.

As a final treatment of the study, chapter 6 proceeds to summarise the preceding chapters; then highlights the key conceptual and theoretical elements of the research; sets out the conclusions and recommendations of the study; and closes with a concluding statement.

6.2 Chapter summaries

6.2.1 Chapter 1

Chapter 1 traced the transition from apartheid to the new democratic arrangements in South Africa. In its sweeping progressive stance, the Constitution of South Africa makes key requisites. It promises redress of past discrimination where corrective and affirmative action will be taken in the provision of basic services; it encourages all spheres of government to ensure social and economic rights through co-operative governance across the spheres; and it obliges local government to deliver a variety of social and economic initiatives. In order to deliver the rights and development initiatives a key objective of local government is the involvement of communities and community organisations in matters of local government. Additionally, Chapter 10 of the Constitution sets out the basic values and principles governing public administration which commands a people-centered approach in the manner in which the public service interacts with citizens.

The chapter then introduced the critical concepts of democratic local governance and citizens' participation. These concepts were further developed in chapter 2 in terms of their theoretical and policy dimensions.

After setting out the theoretical concepts to be examined, the chapter outlined the structure of the study which included the goals and objectives; the outcomes; limitations; and the research methodology. In the initial stage, the researcher consulted authoritative sources of information which included authoritative informants and a review of policy documents. The researcher then conducted an extensive literature review of the field of study. The interview schedule consisted of separate (stakeholder) questionnaires for municipal councillors and for civics and ratepayer organisations. The necessary precaution was taken to ensure that where inherent limitations are apparent, that the best alternatives were chosen so that the phenomenon under study was conceived in its scientific abstractness,

logic and rationality. The analysis and findings of the empirical study were tabulated and explained in chapter 5.

6.2.2 Chapter 2

Chapter 2 addressed the theoretical concepts of governance, local government, and citizens' participation.

Governance was shown to have taken an alternative form of government connoting democracy and political rights. Local government was examined in terms of the 'localist approach', 'public choice theory', 'conflict theory', elitist theory', and 'consensus theory'. The conceptual framework of citizens' participation was then examined by referring to different theoretical perspectives including the liberal democratic tradition; feminist theory; development discourse; and, the conceptualizations of the World Bank and the IMF.

These four major sources of the participation discourse showed the extent and magnitude of acceptance of participatory methods in local governance. South Africa then is among the latest countries to experiment with citizens' participation.

6.2.3 Chapter 3

Chapter 3 commenced with a contextual analysis of the local and global nexus. There were new challenges to be faced at the local level thereby shaping it. It was shown that international local governance was taking on a uniform structure with particular emphasis on neo-liberal entrepreneurial economics. The study raised the concern that this feature will have implications for citizens' participation in South Africa.

The chapter thereafter focused on the constitutional and legislative provisions driving citizens' participation in the South Africa. The study concurred that the

policy platform for citizens' participation was comprehensive and in a state of readiness to face people. However the study also raises the concern that citizens' participation could either be considered panache for democratic practice or that South Africa is yet another state under the reach of neo-liberalism.

The chapter also made reference to limitations of citizens' participation. It was noted that while citizens' participation was legislated, it could not replace representative democracy and would not be permitted to interfere with the municipal council's right to govern and its' authority to exercise executive and legislative powers. The broad policy approach envisages citizens' participation through a demarcation system known as the ward committees and through other means of representation. There also appears to be an amount of discretion allocated to municipalities on how they would involve communities in the affairs of the municipality. This study raised the concern that this feature may lead to labyrinth and complex channels of consultations and communications that could confuse the participation process. The critical issue of the space between representative and deliberative democracy raised in chapter 5 is another important challenge for democratic practice.

Chapter 3 then progressed to outline three case studies, namely, the City of Brasov, in Romania, the Nelson Mandela Metropolitan Municipality in South Africa, and the City of Porto Alegre in Brazil. The case studies provided useful lessons for understanding the eThekweni context. The chapter concluded with a critique of citizens' participation showing that there are on-going voices calling for new forms of citizens' engagement in governance at regional and local levels.

6.2.4 Chapter 4

Chapter 4 commenced with an outline of eThekweni Municipality's participatory budget process. The policy platform consisted of the Long Term Development Framework which identified the key challenges to be: creating economic growth, jobs and income; meeting basic needs; alleviating poverty; developing our people; managing the AIDS pandemic; ensuring a safe and secure environment; and striving for sustainability.

Together with the Long Term Development Framework, the Municipal Systems Act, 2000 provided the basis for an innovative strategic planning process in early 2001. From this planning process emerged the eThekweni Strategic Planning Model. The model spelled out the assessment of citizen's needs; strategic prioritization; strategic budget allocation; project and programme prioritization; approval by EXCO and Council; implementation; and monitoring and evaluation. The model also explained the rationale for citizens' participation in the budget process.

Chapter 4 then undertook a comparative analysis of the eThekweni Municipality's experimentation with participatory methods of budgeting with that of two other case studies, namely the cities of Brasov, in Romania and Porto Alegre in Brazil. The case studies served to test local and international experience and to link the experiences to the conceptual and theoretical framework discussed in chapters 2 and 3. The comparison criteria included: scale of citizen's participation; focus area of the participatory processes; subject of the participatory processes; objectives or goals of the participatory processes; initiators of the participatory processes; and period covered during the participatory processes. It was found that the Porto Alegre and eThekweni cases consisted of complex participatory processes which encompassed developmental objectives.

The Porto Alegre case study in particular had important lessons for the eThekweni Municipality. Through the Porto Alegre case study, it was shown that the participatory budget process impacted on local living conditions in the following ways: improved the quality of life; projects chosen by the participatory budget were able to secure large amounts of investment capital for urban infrastructure, education and improved living conditions; and the mechanisms helped attenuate disparities between poor neighbourhoods and the well-off ones, ensuring better distribution of resources.

The participatory budget process also helped strengthen civil society in several ways: by providing an active role for civil society in the participatory budget; mobilising the poorly organized neighbourhoods; neighbourhoods dominated by traditional leaders accustomed to the system of patronage were changed; on the whole it was found that the participatory budget had a direct positive effect on the organisational capacity of neighbourhood associations as well the training of new activists; the process contributed towards the opportunity for local citizenship where residents had direct experience in the management of public affairs which was no longer the preserve of elected officials; and the opportunity was created for the employment of a new value system that included transparency, accountability and respect for democracy.

Arising from the case studies, the chapter alluded to key conceptual framework and theoretical issues. These issues were categorized as: historical experience and neo-liberalism; new political processes and spaces for participation; and expression for deliberative democratic practice by local citizens. The categories posed important theoretical questions which have been further developed in the current chapter below.

6.2.5 Chapter 5

Chapter 5 consisted of the presentation of findings of the empirical study, viz, stakeholder perceptions of citizens' participation. The study surveyed municipal councillors and civics and ratepayer organisations that functioned in the eThekweni Municipal Area. The survey questionnaires were designed to test the following: the impact of participatory budgeting processes in enhancing the role of councillors and civics and ratepayer organizations; the benefit derived by councillors and civics and ratepayer organisations through citizens participation in the budgeting process at a ward level; service delivery issues that will be addressed through citizens participation; perceptions on the monitoring processes; attitudes towards the community having the power to veto a budget; and perceptions on the consultation process as legislated in the Municipal Finance Management Act, 2003.

The key findings of the stakeholders surveyed included:

6.2.5.1 Councillors of the eThekweni Municipality: The research showed a mixed response of the participatory budget process by municipal councillors. Overall, they supported the participatory process but also felt that the process would accrue popular support for themselves and their political parties. They indicated that the participatory process would benefit the ward committee system, but they did not understand that they as elected councillors would have to drive such an operation. The key finding was that councillors felt that the spirit of 'consultation' as set out in the Municipal Finance Act was sufficient and they would not support civics and ratepayers organisations having legislative veto power over the local budget.

Some councillors crossed over to other political parties during their previous tenure indicating an abandonment of their constituencies. As the practice is legitimized by legislation, it has implications for discontinuity in the participatory

process. Some councillors did not belong to constituencies as they were returned on the basis of proportional representation, thereby also indicating implications for discontinuity in the participatory process. A further problem is the feature of multiple councillors within a single ward, indicating '*multiple pull*' according to party political lines in the participatory process. In each instance, the councillors perceived political support and power as a gain available through the participatory process.

This above findings has four important indications: the need for capacity building on the part of all councillors; that the consultation processes may not be evenly distributed within the metropolis; that the divide between the tenets of representative and deliberative democracy needs to be clarified so as to enable best practice; and the potential for conflict between municipal councillors and civil society in the participative processes.

6.2.5.2 Civics and ratepayers organisations: The research showed that civics and ratepayers organisations were developmentally oriented and had long years of existence, making them potentially effective stakeholders in the participative process. This finding also raises important theoretical and policy questions in the representative and deliberative democracy debate. A critical finding was that while the civics and ratepayers organisations viewed the notion of '*consultation*' according to the Municipal Finance Management Act as '*insufficient*', they did not indicate a rejection the participative process. Additionally, by indicating 100% support for the participative process, the civics and ratepayer organisations would bring the particular strengths to the participative process: majority civics and ratepayer organisations have policies on participation in local governance meaning that they have a meaningful understanding of the local governance dispensation; civics and ratepayer organisations have substantive experience before and after apartheid at engaging the local municipality on a range of matters using different approaches and strategies; civics and ratepayer organisations ascribe much importance to the budget process and their

participation therein would enhancing delivery and thereby contribute to local development; civics and ratepayer organisations believe that they have members who have the necessary capacity and skills to participate in the budget process; and civics and ratepayer organisations envisage being involved in monitoring the implementation process.

6.3 Key theoretical and conceptual elements of the research

Chapter 2 discussed three dimensions of the citizens' participation discourse, namely, an understanding of the concept of governance, the theoretical perspective on local government and the conceptual framework of citizens' participation. The intention here is to compare the conceptual and theoretical elements to the research findings for lessons in democratic practice.

6.3.1 Governance and the research findings

In chapter 2 (2.2), reference was made to Stoker (1998: 34) who asserted that governance signified a change in the meaning of government: "a new process of governing; or a changed condition of ordered rule; or the new method by which society is governed" ...in contrast to: "the formal institutional structure and location of authoritative decision making in the modern state". For Stoker (ibid) the concept governance consisted of a wider meaning for the following reasons: governance directed attention to the distribution of power both internal and external to the state; it focused on the interdependence of governmental and non-governmental forces in meeting economic and social challenges; and it concerned itself on how collective action is met and the issues and tensions associated with this shift in the pattern of governing (ibid: 34-35).

Other thinkers (Pratchett and Wilson, 1996: 1-4; Hyden, 1992: 5-7) viewed governance as symbolizing democracy which enabled the participation of people

in decision making. Governance also meant the fragmentation of power to the lowest level of government i.e. at the local government level. In essence the concept governance emphasized the emerging system of self-governing networks with civil society instead of old forms of managerial control which were bureaucratic, top down and centralized.

The World Bank on the other hand placed an emphasis on the economic role of local governance (World Bank: 1999/2000: 14-21). The Bank envisaged local governments to be responsible for local economic development, infrastructure development, and control over land use. Local governments would be expected to market themselves for investment and provide appropriate incentives. Financing of local projects would include public-private partnerships, appropriations from a municipal development funds and municipal bonds. The World Bank (2000: 43-52) also viewed local governments as the frontline for development. Urbanisation was seen as an opportunity to improve the lives of people. Cities were also gaining more influence as a result of decentralisation and more power sharing. Essentially, local government remained the everyday face of the public sector - the sphere of government where basic public services are delivered to households and businesses, and where policy meets the people.

This model of local governance is being proposed for developing countries as “world-class” so as to facilitate the demands of globalisation. Essentially local governance areas or cities must become great repositories for international economic and financial transactions (World Bank, 2000: 64). These localities are also potentially wealth generating areas for the private sector through intended privatization, infrastructural development and basic service provision.

With respect to governance and the research findings, it can be clearly seen that the eThekweni Municipality has adopted a dual approach to local governance, i.e., an elected representative approach through the ward based system as

instituted in the Municipal Structures Act, 1998 and, a consultative process as instituted in the Municipal Finances Management Act, 2003.

In terms of the theoretical elements, it can also be seen that local governance in South Africa has followed the path of the new institutional structure which aims to share the decision-making process, encourage citizens' participation and be the driver for local development. The eThekweni Municipality's approach does make possible for 'policy to meet people'.

With respect to the preparedness of stakeholders surveyed in the research, it can also be clearly seen that both municipal councillors and civics and ratepayers organisations are willing and eager to be active participants in the local governance processes. While the state of preparedness and motivations of the two actors may be slightly different, they gave credence and validation to the new governance approach.

As the research did not survey the officials of the municipality, it is unable to draw conclusions about their willingness or state of readiness to be involved in the participative process. The concern is that citizens' participation would most certainly bring a new dimension to their function.

6.3.2 Theoretical perspectives on local government

Chapter 2 (2.3) outlined five theoretical perspectives on local government, namely, localist approach, public choice theory, conflict theory, elitist theory, and consensus theory.

The localist approach (Roberts, 1997: 1015), favoured political pluralism and decentralisation. It emphasized local control and self determination. Its basic proposition was that local government existed to provide services to the local community, including those identified by the national government. The localist

approach encouraged participation, promoted grassroots democracy, and fostered national unity. In view of the emphasis on localness, it facilitated accessibility, responsiveness and political accountability (ibid).

The public choice theory viewed local government as an industry where there were buyers and sellers in the market for local services. In this context the buyers were local households and businesses who locate in particular areas and pay for services through local taxes. The sellers were politicians and bureaucrats who either procure or provide direct services to the public (Boyne, 1998: 15-16). However, the way in which local governments procure or provide services was based on the demands made by the market. Within the public choice theory, privatization of public goods and services was not an uncommon practice.

Conflict theorists (Engel, 1999: 6-7) rejected the assumption of long term social stability as an illusion. They claimed that societies are under constant change through radical processes over basic values within the political arena. Central to their claim was that every society was split in various ways between those people who possessed wealth and power and those who do not. Their arguments were based on the traditional Marxist belief that human conflict emanated between the have and the have nots over the distribution of resources. These conflicts were built into the social structure and could only be reconciled through the victory of one group over the other (ibid). For conflict theorists, local government was a key part of the state in capitalist societies. It served as a relatively autonomous instrument of class domination on behalf of the whole capitalist state and shared the primary role of reproducing the conditions within which capitalist accumulation could take place.

The central idea of elitist theory was that business interests predominated and exerted the greatest influence at local government level. Although citizens and non-business interests may influence decisions to some extent, they had minimum success in terms of big decisions such as taxes, education, welfare and

economic development. Business dominated civic affairs and it used local government structures as machinery for the attainment of its business goals (Engel, 1999: 99-100). The dominant presence of business elites in local politics was likely to limit community organizations and other middle or working class groups from promoting their political agendas. This in the long term was likely to cause conflict of interest as the unaccountable elite were likely to have too much scope for either tyranny or corruption (Phillips, 1996: 20).

Consensus theory (Engel, 1999: 6) maintained that a workable, stable society was based on a set of social, economic and political values shared by most of its members. If the government and societal institutions were doing their jobs properly then most of the basic needs of people would have been met and social stability realized. Consensus theory saw the government taking a role in the promotion of public policies based on a compromise among groups with competing demands (ibid).

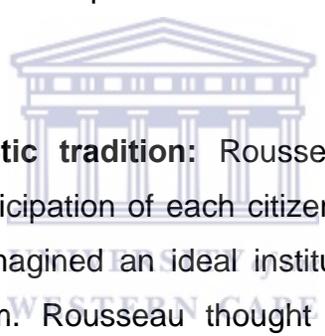
It can be seen that the postulations of all five of the theoretical perspective on local government come to play in the dynamics of participative politics. The eThekweni Municipality experience and experiment with citizens' participation has relevance in the following ways: the localist approach with respect to the devolution of power to the local and the promotion of grassroots democracy in the delivery of basis services; public choice theory with respect to its entrepreneurial approach to the provision of goods and services and the privatization of functions such as public transport; elitist theory in terms of the emphasis on the role of the private sector; consensus theory in terms of shared values through a participative approach; and conflict theory with respect to how priorities for service delivery were contested by the different classes within the local community.

In terms of the stakeholders surveyed in the research, it can be clearly seen that the municipal councillors and civics and ratepayers organisations will be the key

actors making joint decisions, contesting for resources and monitoring effectiveness of delivery. A key problem identified by the research is the understanding of representative and deliberative democracy by the participating stakeholders. There is potential for confusion and conflict among the actors in practice. However, one of the two recommendations of the study, i.e. capacity-building of all stakeholders, may assist with minimizing the identified problem as well as contribute to best practice.

6.3.3 Theoretical perspectives of citizens' participation

The study identified four sources of theoretical perspectives of citizens' participation, namely, classical democratic theory; feminist theory; development discourse; and international development institutions of the World Bank and the IMF.



6.3.3.1 Classical democratic tradition: Rousseau's theory of participation hinges on the individual participation of each citizen in political decision making (Pateman, 1970: 22). He imagined an ideal institutional arrangement to be a participatory political system. Rousseau thought that the ideal situation for decision making was one where no organised groups were present, just individuals, with the emphasis on equal and independent individuals. This ensured the equal distribution of political power when participating in institutions. His ideal system was intended to develop responsible, individual social and political action through the effect of the participatory process (ibid: 24).

John Stuart Mill claimed that the ideal form of government which can satisfy all the exigencies of the social state was one in which the whole people participate, and that participation even in the smallest form was useful (Thompson, 1976: 13). Mill was concerned with two main ideas of good government: i.e. how it promoted the good management of the affairs of society, and how good

government can come to bear on the moral, intellectual and actions of individuals.

The theory of “deliberative democracy” was a more recent development in liberal democratic tradition. In the liberal view, the aim of democracy was to aggregate individual preferences into a collective choice in a fair and efficient manner (Miller, 1993: 74-92). As there were many views in a democracy, the political institutions must be able to reflect the different beliefs and interests present in society. The problem was to find the institutional structure that best met the requirements of efficiency and equality. In doing so liberal democracy must choose between the options of majoritarian decision-making or a pluralist system where different groups in society were allocated different amounts of influence over decisions in terms of their interests. The debate continued whether this was a fair and efficient compromise given the conflicting preferences that were expressed in the community at any one time.

The liberal tradition also contained associational democracy and direct democracy tendencies. Associationalism advocated a social process that promoted social welfare without compromising individualistic values and activist civil society (Hirst, 1993: 112-135). The state was seen as taking responsibility as a service provider. Direct democracy was characterized as a regime in which the population as a whole votes on all the most important political decisions (Budge, 1993: 136-155).

The influence of classical democratic theory, transformed as neo-liberalism was very much evident in the participative discourse. Classical theory, very much like neo-liberalism was concerned with the nature of institutions of the state catering for individuals, group interests and the divergent interests of civil society. The key aim was how to ensure the broadest reflection of public opinion rather than suffice with a majoritarian perspective in decision-making.

The research has shown that local governance consisted of the tenants of both representative and deliberative democratic practice in order to ensure three voices in the democratic process, namely, elected representatives such as councillors; organized interest groups such as civics and ratepayers organisations; and individual inputs through different forms of consultation. Therefore most forms of tendencies in the tradition of classical democratic theory, transformed as neo-liberalism, appear to be present in the participative discourse. This argument presents important questions about how the stakeholders at local level will style their participation as well as those groups and social movements who reject the participative discourse and who choose remain outside the consultation processes.

6.3.3.2 Participation in feminist theory: According to feminist theory, the idea of citizens' participation must include gender perspectives from local communities, particularly women in urban and rural environments. There was a compelling case to acknowledge and include knowledge, lessons and experiences of women's lives, habits, power relations, culture and ways of thinking, into the planning and participatory processes. The three feminist theorists referred to in chapter 2 (2.4.2) generally rejected liberalism, in particular liberal individualism, in favour of promoting women and minority groups, and a radical democracy based on a different universalism that recognizes social cleavages in society.

Feminist theory presented important challenges for the participative process. It taught that society consisted of strong and weak groups that must find their way into the participative discourse as well as into its practice. The research showed that in the Porto Alegre case study, the participatory budget process helped strengthen civil society through mobilizing poorly organized neighbourhoods, neighbourhoods dominated by traditional leaders accustomed to the system of patronage, and by training new activists. The research has also showed that policy and legislation has provided for the voices of marginalized groups. The

challenge was for the stakeholders to ensure the participation of marginalized and weak groups in local communities.

6.3.3.3 Participation in development discourse: Participation discourse as discussed in chapter 2 (2.4.3) included the ideas of the *need for greater participation* (IDS, 2000; IDS Bulletin, 2004; Gaventa, 2002; Gaventa, 2004); *new spaces in the institutions of government* (Cornwall, 2004); *complexity and networks* (Hajer and Wagenaar, 2003); and *building the institutions of state* (Fukuyama, 2004).

6.3.3.3.1 In the first idea, *the need for greater participation*, the motivation included new relationships between the state and citizen; new forms of participation, responsiveness and accountability; rethinking the ways in which the citizens' voice was articulated; seeking pro-poor development outcomes; building new conditions for success; and the local sphere being the space for encountering the institutions of state, politicians, and where services were delivered.

The above ideas essentially described a set of new possibilities for using the local sphere in efficient and effective ways, as well as ensuring pro-poor approaches. The ideas ensured that the centrality of citizens in the governance process was maintained. The research has shown that these ideas are expected to be applied in the participative processes. The stakeholders surveyed have also indicated similar tendencies in their responses.

The research also showed through the Porto Alegre case study that the participatory budget process brought the opportunity for employing a new value system that included transparency, accountability and respect for democracy.

6.3.3.3.2 In the second idea, *new spaces in the institutions of government*, Cornwall (2004: 1) suggested that there was renewed concern with rights, power

and opinions about participation in governance. Greater attention was being focused on the institutions that articulated between communities, providers and policy makers. The idea was how to create greater opportunity for deliberative democracy. It was believed that citizen participation made for better citizens, better decisions and better government.

The research has shown that the local sphere has become *the* important space for the exercise of rights, power and participation. Through national policy and legislation, the local space was being reshaped to accommodate communities, service providers and policy makers. The research showed that local municipalities, like the eThekweni Municipality were headed in such a direction. The research also showed government was not the sole initiator of creating new local spaces, but that local stakeholders were also keenly supportive of participative processes as well as the transformation taking place in the local spaces.

6.3.3.3.3 In the third idea, *complexity and networks*, Hajer and Wagenaar (2003: 1-30) referred to developments in governance within the context of the network society which was characterised by such concepts as, 'institutional capacity', 'networks' 'complexity' and 'interdependence'. These new developments have implications for a different kind of politics and policy-making. The authors proposed five challenges for policy making and politics in the network society namely, new spaces of politics; politics and policy making under conditions of radical uncertainty; increased importance of difference; greater interdependence; and the dynamics of trust and identity.

It is clear that the above developments have become part of the script of transformation in local governance. Local spaces or cities have taken on new characteristics that demand new responses and ways of doing things. The implementation of participative processes and technologies are in fact a

consequence of the new character of local spaces and are very much evident in the research.

6.3.3.3.4 In fourth idea, *building the institutions of state*, Fukuyama (2003: 56-78) postulated state-building through the creation of new government institutions and the strengthening of existing ones. He believed that failed states were a threat to world stability. Failed states were the main source problems such as poverty, HIV/AIDS, and criminal activity, including terrorism. The challenge therefore was to identify methodologies to transfer strong institutions to developing countries. The answer provided by the author was to introduce smaller but stronger institutions.

The above idea is very much inline with the neo-liberal tradition that proposes 'lesser' government and the reduction of state intervention in society. The research is unable to draw particular lessons for this argument. However, it does form an important point for debate in the participative discourse.



6.3.3.4 Participation according to development agencies

The World Bank and the IMF have also been important contributors to the participative discourse. The research has shown that the World Bank has embraced citizens' participation methods in the implementation of its policies and has made citizens' participation a condition in place of the previous notorious structural adjustment programmes. The IMF has also developed a new economic reporting framework as a requirement for all governments so that ordinary citizens can understand and have access to economic information. In both the cases, the World Bank and the IMF claimed that the practice of citizens' participation promoted transparency and accountability in governance.

The research showed that the World Bank and the IMF had a direct interest and stake in the participation discourse. The research went to the extent of making

stakeholders aware of the role of these development organisations and did not draw conclusions about them.

6.4 Policy framework for citizens' participation in local governance in South Africa

Chapter 3 (3.3) referred to the constitutional and legislative provisions driving citizens' participation in South Africa. Article 40 of the Constitution (RSA, 1996: 81) outlined the objectives of local government which included 'the involvement of local communities and community organisations in the matters of local government.

The White Paper, 1998 obliged municipalities to develop mechanisms to ensure citizen participation in policy initiation, formulation, implementation, monitoring and evaluation of programmes. Each municipality must develop a localized system of citizens' participation.

The Municipal Structures Act, No 117 (RSA: 1998) required all municipal councils to develop mechanisms to consult and involve the community and their civil society organisations in local governance. Section 19. 2. (c) and 3. of the Act directs municipalities towards a new culture of governance that complements representative democracy through participation.

Section 17 of the Municipal Systems Act (RSA: 1998) provided for participation by the local community in the affairs of the municipality through political structures. Municipalities must also take into account the special needs of people who cannot read; people with disabilities; women and other disadvantaged groups.

Section 22 of the Local Government Municipal Finance Management Act, No 56 (2003) provided for the publication of annual local budgets and to invite the community to submit representations in connection with the budget. Further, Section 23 called for consultations with the local community on the tabled budgets. After full consultations, the mayor must be given an opportunity to respond to the submissions and, if necessary, to revise the budget and table amendments for consideration by the Council.

This study concurs with the literature and wider social comment that South Africa has one of the most progressive Constitutions in the developing world and combined with a sound policy framework demonstrates the serious political will for putting people, democracy and development in the forefront of the political agenda. The challenge now is effective implementation of these policies which must show measurable results in the proceeding years.



6.5 Lessons from international experience

In general, this study and, in particular, the Porto Alegre case study, took the optimistic view that citizens' participation created both opportunity for development and poverty alleviation, as well as the opportunity to strengthen civil society through stakeholderism. However, the lessons from international experience also posed several questions. The comparative analysis of the two case studies of Porto Alegre and the eThekweni Municipality brought into focus three key issues in terms of the theoretical and conceptual framework discussed in Chapters 2 and 3. These key issues included:

- Historical experience and neo-liberalism;
- New political processes and spaces for participation; and
- Expression for deliberative democratic practice by local citizens.

6.5.1 Historical experience and neo-liberalism

It was noted in Chapter 3 that the institutional basis for citizens' participation in the local budget process was embedded in the historical landscape of the nation state of Brazil. It was during the period of military rule between 1964 and 1985 that the new social movement had begun to grow and later come to influence the democratic constitution of 1998. The constitutional reform process included extensive use by social movements of the mechanism of 'popular amendments', through which civil society was allowed to propose amendments during the elaboration of the constitutional text (McGee, R, et al, 2003: 15). While maintaining a system of representative democracy, the 1988 constitution legitimated forms of participation other than elections and recognized community organisations as legitimate actors (Latendresse, 1999: 4).

While the substantive historical experiences of Brazil and South Africa differ, and while the roles of civil society in political change in these countries also differed, it would appear that both their new Constitutions was the point of departure for citizens' participation in the respective countries.



The important difference was that in Brazil, civil society made progressive amendments into their constitution, while in South Africa, the negotiators at the Convention for a Democratic South Africa (CODESA) and representatives of political parties and constitutional experts framed the new constitution. It was therefore not organs of civil society in South Africa compared to Brazil, which advocated for citizens' participation in governance. Rather it was the work of state operatives/policy planners who initiated the notion of citizens' participation. Thereafter citizens' participation was legislated in the three local government acts, viz, the Municipal Systems Act, 1998; the Municipal Structures Act, 1998; and the Municipal Finance Management Act, 2003.

In following the role of state operatives/policy planners who initiated the citizens' participation in South Africa, it was not difficult to discern the contribution of the World Bank and the IMF in this development. It was shown in Chapter 3 that the participation discourse had its genesis in the late 1980's in India and Kenya through the alternative participatory approach known as 'Participatory Rural Appraisal' (PRA) (Cornwall and Pratt, 2003: 1). Now citizens' participation has become a de facto instrument of the World Bank and the IMF. Additionally, it was suggested that by adopting new approaches and rhetoric such as 'country ownership' and 'participation', the IMF and the World Bank were in fact doing so in response to the criticisms leveled at them (Jones and Hardstaff, 2005: 4).

Additionally, Sitas (in Szell, et al, 2002: 218-227) showed the concern that society seemed to have surrendered agency over to globalisation whilst at the same time it was seeking ways to curtail the impact of the very same forces. The pressing question raised by Sitas was whether society had the capacity to respond and shape the conditions of life in this system of global interactions or whether society was involved in a process of 'shaping' that was out of its control. Therefore, could it be that the participation discourse is in reality a take over of local agendas by neo-liberalism?

6.5.2 New political processes and spaces for participation

The literature (Hajer and Wagenaar, 2003: 8-13; Castells, 1996, cited by Sitas, in Szell, et al; 2002: 219) for example, discuss how governance is changing within a context of the network society which is characterised by such concepts as 'institutional capacity', 'networks' 'complexity' 'interdependence' and so on. Institutions for example, which implied stability in the past, have given way to networks that now imply fluidity and uncertainty. These dynamics have changed the sources and distribution of power which have serious implications for governance.

The new context has also created different types of spaces for citizens' participation (Cornwall, 2004: 1). For example 'invited spaces' have been created by governments and donors through shifts in policy. These spaces may be either temporary or enduring. Another type of space, referred to as 'popular space' where people come together in protest against government policies or foreign interventions, or to produce their own services for mutual benefit was identified. These spaces can be regularized by governments or they may appear from time to time in transient forms depending on the circumstances of people.

The research showed in Chapter 4 (4.2.3) that such 'popular spaces' also existed at the eThekweni Municipality during the 1980s. The key community organisations of JORAC and DHAC were formed in response to the planning initiatives and rental increases. It was seen that as the capacity to mobilize residents in protest against these initiative, the municipality created a space to negotiate when the community organisation showed a willingness to participate in local structures and fora.

The research has also shown through both the case studies of Brazil and South Africa, local government has become an important space for social dialogue and engagement for citizens' participation in matters that concern them. Through the policy and legislative instruments referred to in this study and in the local literature, these new spaces appear set to contribute to peoples' development.

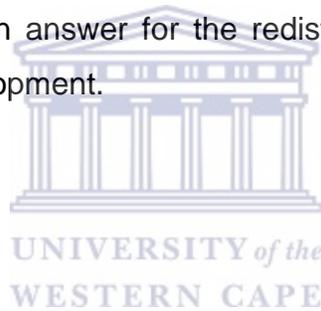
6.5.3 Expression for deliberative democratic practice by local citizens

Cornwall (2004: 1) and Gaventa (IDS: 2000) proposed that there were renewed concerns for rights, power and opinions about participation in governance. Greater attention was being focused on the institutions that articulate between communities, providers and policy makers. The idea was how to create greater

opportunity for deliberative democracy. It was also believed that citizen participation made for better citizens, better decisions and better government.

The authors also indicated a growing belief that electoral politics and representative democracy have become passive. There was a need for more inclusive and deliberative forms of engagement between citizen and state. Additionally, the idea was to empower local citizens rather than remain passive receivers of services.

In keeping with the general expression by citizens elsewhere, the research showed most comprehensively that local citizens and their representative formations in the eThekweni Municipal Area have expressed great interest for participation in local governance. Such an expression may be due to a belief that citizens' participation was an answer for the redistribution of public goods and services towards local development.



6.6 Conclusions of the study

6.6.1 Goals and objectives of the study

The conclusions of this study are examined against the goals and objectives set out in Chapter 1 (1.2.1; 1.2.2).

The two broad goals of the study included:

- assessment of the theoretical and policy framework for citizens' participation in South Africa; and
- evaluation of the perceptions of councillors and civic and ratepayers organisations on participation in the local budget process at the eThekweni Municipality.

The objectives were to:

- outline the conceptual framework for citizens' participation;
- examine the policy framework for citizens' participation in local governance in South Africa;
- view lessons from international experience; and
- draw conclusions and recommendations on citizens' participation in the budget process of the eThekweni Municipality through the empirical case study.

6.6.2 Findings of the study

The findings of the study are:

6.6.2.1 The literature and case studies concur that South Africa has one of the most progressive constitutions in the world and combined with a sound policy

framework demonstrates serious political will for democratic citizenship and social commitment for peoples' development;

6.6.2.2 Having embraced citizens' participation, the main question is whether it is the panacea for good governance or whether, like other developing countries, South Africa has actually succumbed to the forces of neo-liberalism?; and

6.6.2.3 The study showed a growing belief that electoral politics and representative democracy have become passive, making way for more inclusive and deliberative forms of engagement between citizen and state.

6.7 Recommendations of the study

6.7.1 Outcomes of the study

The recommendations of the study were assessed against the backdrop of the outcomes outlined in Chapter 1 (1.2.3):

6.7.1.1 The short-term outcome was the assessment of perceptions of two major stakeholders, namely councillors and civics and ratepayer organisations, on citizens' participation in the eThekweni budget process.

6.7.1.2 The medium-term outcome was to contribute towards strengthening capacity of councillors and civic and ratepayers organisations in the participative process.

6.7.1.3 The long-term outcome was to suggest a basis towards developing an appropriate citizens' participation model for the eThekweni Municipality.

6.7.2 Recommendations of the study

The study makes the following recommendations:

6.7.2.1 Recommendation 1

It is recommended that a comprehensive capacity-building programme be developed for councillors, officials and other stakeholders who will play a role in the participatory and local budget processes at the eThekweni Municipality.

The first recommendation is justified through the findings of the study, namely; the lack of relevant experience by all stakeholders to engage effectively in the participatory process; confusion between representative and deliberative democratic practice; and an imbalance in the power relations between municipal councillors and the civics and ratepayers organisations.

6.7.2.2 Recommendation 2

It is further recommended that a another study be conducted by either the eThekweni municipality, or any other competent institution or individual, to investigate an appropriate citizens' participation model further to the eThekweni Municipality's strategic planning model. Such a model must at a general level contribute to integrating the politics of representative and deliberative democracy, and at a particular level facilitate sound consultation and participative processes between the eThekweni Municipality and communities and representative organisations.

The second recommendation is based upon the gaps identified by the study, namely; a number of civil society organisations and other stakeholders were not

examined in the sample or referred to this study; and since the 100 wards committees in the eThekweni municipal area are the official stakeholders according to legislation, the participation of other stakeholders may lead to contestation and conflict, thereby impacting on the overall effectiveness of the participation process.

6.8 Concluding statement

This study was identified to be among the formative studies examining the citizens' participation discourse in South Africa. The findings, conclusions and recommendations of the study therefore presents further research possibilities.

The study found that participation theory and literature relevant to the developing countries were lacking compared to developed countries. For example, South African literature tended to focus mainly on government policy documents and on implementation of citizens' participation programmes. On the other hand international literature and participation theory was extensive for Asian, European and American contexts. There exists enormous space for expanding participation theory and literature within the developing and African contexts.

Further, the study suggests that there are several possibilities for research around citizens' participation within South Africa. For example since citizens' participation is envisaged in all municipalities, namely, rural, urban and large district councils, a number of primary, comparative or ethnographic studies may be undertaken around a range of variables.

Finally, citizens' participation has been acclaimed as the solution for all development problems in every part of the world. It is even thought of as bringing the democratic project to an end. However, just as other bold claims were discounted in the past, so to must it be realised that citizens' participation, like

any other discourse contains its own limits. Ongoing thinking and study must resist the temptation for teleology.



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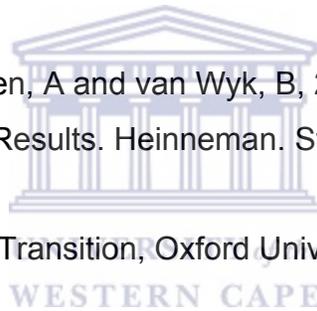
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RSA, 1998: Local Government Municipal Structures Act, No 117

RSA, 1999: Public Finance Management Act, (as amended)

RSA, 2000: Local Government Municipal Systems Act, No 32

RSA, 2003: Local Government Municipal Finance Management Act, No 56

RSA: 1998: The White Paper on Local Government

RSA: Medium Term Expenditure Framework Treasury Guidelines: Preparing
MTEF Submissions 2004



APPENDIX 1

University of the Western Cape
School of Government
Private Bag X17
Bellville 7535
Republic of South Africa

24 October 2005

Dear Sir/Madam

Questionnaire: Citizen participation in the local government budget process: A case study of the eThekweni Municipality.

Citizen participation in local government is an important new development in South Africa. By law, local governments like the eThekweni Municipality must facilitate the participation of community stakeholders to jointly decide on local planning, budget allocations and service delivery.

The student is undertaking a study on citizens' participation in the local budget of the eThekweni Municipality. The study aims to:

1. assess what policies and steps are in place to ensure citizens participation in the eThekweni Municipality; and
2. evaluate the readiness of community stakeholders, in particular civic and ratepayer organisations to participate in local governance in general, and in the local budget in particular.

We kindly seek your participation in this study by responding to the attached questionnaire. Your participation is entirely voluntary and questionnaire will be treated with strict confidence.

We thank you for your time and co-operation.

Yours sincerely,

JP Govender
University of KwaZulu-Natal

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Citizens Participation Questionnaire Municipal Councillors

Section one: General information

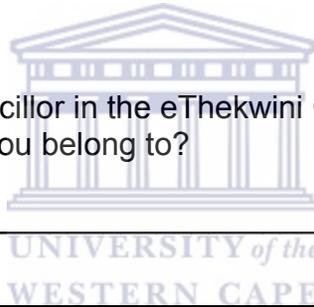
1. Which political party do you represent in the eThekweni Municipality?

2. Are you an elected or proportional representative in the municipality?

Elected	1
Proportional	2

3. Which geographical area and ward do you represent?

4. In addition to being a councillor in the eThekweni Council, what other community structures do you belong to?



5. For how long have you been a councillor for your area?

1 – 5 Years	1
6 – 10 Years	2
11 – 15 Years	3
16 – 20 Years	4
21 + Years	5

6. Have you been a member of another political party in the past?

Yes	1
No	2

Section two: Political party policy on citizens' participation

(Please mark a tick (✓) in the appropriate box.)

7. Does your political party have a policy on citizens' participation in the local budget process?

Yes	1
No	2
In process of developing policy	3
Not sure	4

9. If your political party **does not support** participation in the local budget process, what are its reasons?



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Section three: Role of councillors, ward committees and political parties in citizen participation in local governance

10. Will citizens' participation support your role as a councillor?

It will help in my work	1
It will make no difference	2
It will be a duplication of my work	3
Not sure	4

11. Will citizens' participation support the role of the ward committees?

Yes, it will help in the work of ward committees	1
No, it will make no difference	2
It will be a duplication the work of ward committees	3
Not sure	4

12. Will citizens' participation promote your political party?

Yes, it will help in the work of my political party	1
No, it will make no difference	2
It will be a duplication of the work of my political party	3
Not sure	4

Section four: Citizens' participation in planning the local budget

13. How important is citizen' participation for your political party in the planning of the municipal budget?



Very important	1
Somewhat important	2
Least important	3
Unsure	4

14. Do you think that civic and ratepayers organisations have the necessary knowledge about local budget planning processes in order to participate effectively?

Yes	1
No	2
Unsure	3

15. If no to question 14 above, what suggestions can you make to empower civic and ratepayers organisations?

Their organisations must train interested individuals themselves	1
The municipality must train interested individuals	2
Municipality in partnership with civic and ratepayer organisations must train interested individuals	3
Another institution must be commissioned to train interested individuals	4
Other: (Specify)	5

16. By order of importance rate, the issues that would be addressed by citizens' participation in the budget process.

Municipal services	Very important	Somewhat important	Least important
Rent	1	2	3
Rates	1	2	3
Water	1	2	3
Electricity	1	2	3
Roads and pavements	1	2	3
Sewerage	1	2	3
Refuse removal	1	2	3
Cleaning and grass cutting	1	2	3
Municipal newspapers	1	2	3
Job creation	1	2	3
Local economic development	1	2	3
Poverty alleviation	1	2	3
Safety and security	1	2	3
Other (Specify)	1	2	3

17. Would you and your political party support a **monitoring process** of the implementation of the local budget?



Yes	1
No	2
Unsure	3

18. If yes to question 17 above, how strongly would you and your political party support the monitoring of the implementation of the budget process?

Monitoring process of budget implementation	Most important	Somewhat important	Very important
	1	2	3

19. Do you feel that civic and ratepayers organizations should be provided with legislative power to veto a budget?

Yes	1
No	2
Unsure	3

21. In terms of the Municipal Finance Management Act 2003, Chapter 4, Section 23, it is stated that municipal council must **consult** the community on the annual tabled budget. What are your views on consultation?

Consultation is sufficient	1
Consultation is not sufficient	2
Unsure	3



APPENDIX 2

University of the Western Cape
School of Government
Private Bag X17
Bellville 7535
Republic of South Africa

24 October 2005

Dear Sir/Madam

Questionnaire: Citizen participation in the local government budget process: A case study of the eThekweni Municipality.

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3. assess what policies and steps are in place to ensure citizens participation in the local budget process of the eThekweni Municipality; and
4. evaluate the readiness of community stakeholders, in particular civic and ratepayers organisations to participate in local governance in general, and in the local budget in particular.

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Citizens' Participation Questionnaire Civics and Ratepayers Organisations

QID	1	2	3
	C	S	P

Section one: General information

1. What is the name of your organisation?

2. What is your position in the organisation? _____

3. In which geographical area does your organisation operate?

4. What are the main aims of your organisation? _____

5. For how long has your organization been in existence?

1 - 4 Years	1
5 - 9 Years	2
10 - 15 Years	3
16 - 19 Years	4
20+ Years	5

Section two: Organisational policy on citizens' participation

(Please mark a tick (√) in the appropriate box.)

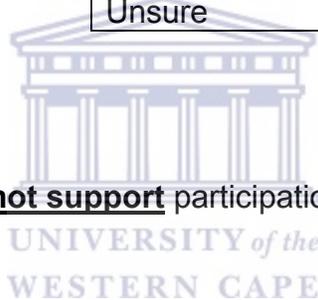
6. Does your organisation support participation in local governance?

Yes	1
No	2
Unsure	3

7. Does your organisation have a policy on citizens' participation in local governance?

Yes	1
No	2
In process of developing policy	3
Unsure	4

8. If your organisation **does not support** participation in local governance, what are its reasons?

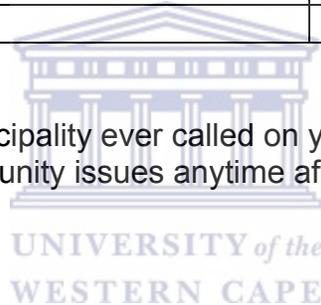


Section three: past representation to the eThekweni Municipality

9. How did your organisation represent community issues to the eThekweni Municipality before 1998?

Type of representation:	√ for Yes	Month	Year
Letters and memoranda to municipal departments	1		
Delegations to the municipal departments	2		
Delegations to the mayor	3		
Meetings with senior administrators at the municipality	4		
Demonstrations at the municipal buildings	5		
Marches in local areas	6		
Marches to offices of Councillors	7		
Sit-ins	8		
Through affiliation to an umbrella body	9		
Court actions	10		
Other: Specify	11		
Unsure	13		

10. Has the eThekweni Municipality ever called on your organisation for consultation on any community issues anytime after **1998 to the present year 2005?**



Yes	1
No	2
Unsure	3

11. If yes to question 10 above, please list the issues and the dates (month and year) when the eThekweni municipality consulted with your organisation. (If you were not consulted by the municipality on any issue please mark the box not applicable - N/A.)

My organisation was consulted about...	Month	Year
1.		
2.		
3.		
4.		
5.		
6.		
7.		

Section four: Citizens participation in planning the local budget

12. How important is participation in the planning of the municipal budget to your organisation?

Very important	1
Somewhat important	2
Least important	3
Unsure	4

13. Does your organisation propose to participate in the municipal budget process in the foreseeable future?

Yes	1
No	2
Unsure	3

14. Does your organisation have members who have the necessary skill to participate effectively in the local budget planning process?

Yes	1
No	2
Unsure	3



15. If no to question 14 above, what suggestions can you make to empower individuals and your organisation's capacity?

My organisation must train interested individuals	1
The municipality must train interested individuals	2
Municipality in partnership with my organisation must train individuals	3
Another institution must be commissioned to train interested individuals	4
Other: (Specify)	5

16. Please **indicate by order of importance which issues** in your area would be addressed by your organisation's participation in the budget process.

Municipal service	Very important	Somewhat important	Least important
Rent	1	2	3
Rates	1	2	3
Water	1	2	3
Electricity	1	2	3
Roads and pavements	1	2	3
Sewerage	1	2	3
Refuse removal	1	2	3
Cleaning and grass cutting	1	2	3
Municipal newspapers	1	2	3
Job creation	1	2	3
Local economic development	1	2	3
Poverty alleviation	1	2	3
Safety and security	1	2	3
Other: (Specify)	1	2	3

17. What would be the **net effect of participation** in the local budget process for your organisation and local area?

Effect of Participation	Most important	Somewhat important	Very important
Introduce basic services	1	2	3
Maintain existing service levels but improve quality	1	2	3
Increase service levels	1	2	3
Unsure	1	2	3

18. Would you and your organisation support a **monitoring process** of the implementation of the local budget?

Yes	1
No	2
Unsure	3

19. If yes to question 18 above, how strongly do you and your organisation support the monitoring of the implementation of the budget process?

Monitoring process of budget implementation	Most important	Somewhat important	Very important
	1	2	3

20. Do you feel that civic and ratepayers organizations should be provided with legislative power to veto a budget?

Yes	1
No	2
Unsure	3

21. In terms of the Municipal Finance Management Act 2003, Chapter 4, Section 23, it is stated that municipal council must **consult** the community on the annual tabled budget. What are your views on consultation?

Consultation is sufficient	1
Consultation is not sufficient	2
Unsure	3

